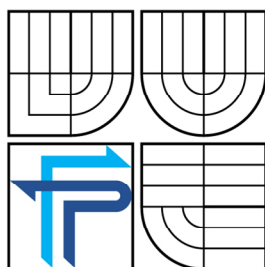


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# CONCEPT FOR ORGANIZATIONAL CULTURE CHANGE IN A MANUFACTURING COMPANY

NÁVRH ZMĚNY ORGANIZAČNÍ KULTURY VE VÝROBNÍM PODNIKU

**DIPLOMOVÁ PRÁCE**  
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Analysis of Actual Conditions  
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Conclusions

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- ASHKANASY, N. M., WILDEROM, C. P. M., PETERSON, M. F. Handbook of organizational culture and climate. 1st ed. London: Sage, 2000. 629 p. ISBN 0-7619-1602-4.
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## **ABSTRACT**

This master's thesis deals with an organizational culture in the particular company Macco Organiques, s.r.o., identifies its weakness and proposes a suitable content of organizational culture change in relation to company's long-term strategic goals.

Firstly, the objectives of research followed by hypotheses and methodology are stated. Secondly, theoretical background of organizational culture and its related areas concerning the firm's strategies of companies are mentioned. Thirdly, the findings, outcomes of research and verification/falsification of defined hypotheses are presented. Finally, recommendations for organizational culture change are given.

Keywords: organizational culture, organizational culture change, firm's strategy and long-term strategic goals, performance

## **ABSTRAKT**

Diplomová práce se zabývá organizační kulturou konkrétní společnosti Macco Organiques, s.r.o., identifikuje její slabé stránky a s ohledem na dlouhodobé strategické cíle firmy navrhuje vhodnou změnu organizační kultury.

Jako první jsou určeny cíle výzkumu, následují hypotézy a metodologie užitá v práci. Teoretická východiska organizační kultury jsou zmíněny v části druhé spolu s oblastmi vztahujícími se k obchodním strategiím společností. Třetí část představuje zjištění, výsledky výzkumu a verifikuje/falzifikuje stanovené hypotézy. Dále jsou uvedeny doporučení pro společnost.

Klíčová slova: organizační kultura, změna organizační kultury, obchodní strategie a dlouhodobé strategické cíle, výkonnost

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BARTOŠKOVÁ, Š. Concept for Organizational Culture Change in a Manufacturing Company. Brno: Brno University of Technology, Faculty of Business and Management, 2010. 84 p. Supervisor of Master's Thesis Ing. Zdeňka Konečná, Ph.D.

## **DECLARATION**

I Šárka Bartošková, declare that this master's thesis entitled "Concept for Organizational Culture Change in a Manufacturing Company" is my own and is expressed in my own words. Any uses made within it of the works of other authors in any form are properly acknowledged at the point of their use. A full list of employed references has been included.

Signed:

Date: January 20<sup>th</sup>, 2010

## **ACKNOWLEDGMENTS**

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## **INTRODUCTION**

The organizational culture is a phenomenon which is not recognized, described, or classified easily. The culture varies from organization to organization, however, during the last decades according to many accomplished researches was already proven its significance.

The concept of organizational culture has an impact on all performed actions and processes within the organization, whether management and shareholders have realized it or not. Thus, the organizational culture can be a tool which is used for maintenance of firm's strategy, achievement company's long-term strategic goals and which causes improvements in the required areas.

On the contrary, organizational culture can create limitations and barriers in company's development and competitiveness at national or multi-national level. If it is desired, there is needed an organizational culture change based on an analysis of contemporary organizational culture in the company and evaluation of its outcomes.

For the master's thesis purpose is selected a manufacturing company Macco Organiques, s.r.o. and the thesis is established on the company situation as of October 1<sup>st</sup>, 2009.

## **1 FUNDAMENTAL INFORMATION ABOUT THESIS**

### **1.1 Objective of Thesis**

The thesis aims to analyse an organizational culture in the particular company Macco Organiques, s.r.o., identify its weaknesses in order to propose a suitable content of organizational culture change with respect to introduced concepts and trends in contemporary organizational culture and their relations to firm's strategies.

To complete mentioned main objective there are specified particular objectives:

- To present fundamental theoretical background related to concerned areas and links among basic definitions.
- To discuss characteristics of organizational culture in Macco Organiques, s.r.o., classify its limits and barriers and suggest appropriate organizational culture changes causing maintenance and alignment of company's business goals.

The research objective is set up with the view to determine the impacts of current organizational culture on strategic intentions of Macco Organiques, s.r.o. Therefore the quantitative and qualitative approaches in the thesis are focused on these fields:

- To find out an essence of organizational culture used in Macco Organiques, s.r.o.
- To define issues which have occurred during the process of organizational culture implementation and which have had impacts on company's success.

The constructive objective of the thesis is stated as follows:

- To recommend the organizational culture improvements in the particular company with the purpose to deepen the employees' relationships, ways of communication as well as the other parts of company's processes.

## 1.2 Hypotheses of Thesis

There can be stated a basic problematic area regarding the information which is written in the section 1.1., Objective of Thesis. The way of its solution is based on the following hypotheses.

Problem: **Is Macco Organiques, s.r.o. and its firm's strategy influenced directly and wittingly by organizational culture? Do they realize and understand its significance?**

It is assumed that the suitable organizational culture creates the condition of the employees' performance improvements and thanks to it increases organization effectiveness as well.

Hypothesis No. 1: **The company Macco Organiques, s.r.o. is award of organizational culture in full and it is acquainted with its meaning and contributions to organization.**

This hypothesis is assessed by quantitative research – questionnaire and qualitative research – interview with General Manager and Human Resources Specialist; observation. The content analysis of company's documents is also executed.

Hypothesis No. 2: **The concept of current organizational culture in Macco Organiques, s.r.o. proves its overall efficiency and it has a desired effect on long-term firm's strategy.**

This hypothesis is verified by way of interview with General Manager, Human Resources Specialist, and it is supplemented by secondary data research based on company's internal documents and literature search.

## **1.3 Procedure, Methodology and Main Expected Results of Thesis**

### **1.3.1 Selected Procedure of Thesis**

The way and procedure of thesis results from the following sections:

- **Assignment of thesis**

It is consisted of definition of the thesis's main objective: "To analyse an organizational culture in a particular company Macco Organiques, s.r.o., identify its weaknesses and propose a suitable content of organizational culture change with respect to introduced concepts and trends in contemporary organizational cultures and their relations to firm's strategies." With reference to it, there are stated particular objectives and hypotheses which should assist in the analysis.

- **Introduction of selected methodology of thesis**

In this section are demonstrated the ways and methods used through the thesis.

- **Literature review of organizational culture**

In order to elaborate a literature review there are used available Czech and foreign literature sources in electronic and book forms. As a result, the theoretical background is set.

The fundamental definitions and their relations are discussed and explained. For example the elements of organizational culture, levels of cultural analysis, organizational culture determinants, strength and its functions, types of organizational culture, culture main sources, its development, shaping and changing within the company are given. It deals with the organizational culture and its impacts on firm's strategy, management processes and company's performance.

- **Analysis and fundamental results of thesis**

It contains a detailed analysis of the contemporary cultural environment in Macco Organiques, s.r.o. There are defined limitations and barriers which have occurred during the process of organizational culture implementation in the company and which have had the negative impacts on company's success.

The diagnosis of organizational culture is based on company's internal documents and three basic empirical methods. First, a direct observation analyzes three groups – managers, white-collar workers, and blue collar workers. Second, a semi-structured interview with two selected employees – a General Manager and an Human Resources Specialist – provides a valuable information. Third, a questionnaire collects quantitative data about company's environment, system of management, ways of communication and interpersonal relationships between employees.

- **Proposals and recommendations and their implications for company**

This section is concerned with particular suggestions with a view to improve interpersonal relationships, ways of communication and company's effectiveness.

Presented main proposals are introduced with calculation by reason of simplification of managers' evaluations and decision-making processes, whether proposal would be implemented or not.

### **1.3.2 Methodology of Thesis**

In this research is required to use wide range of scientific methods, referred to as logic and empirical methods.

Each of below mentioned methods and techniques takes its own indispensable place through master's thesis and one method is not more important than the other.

- **Logic methods**

*Analysis and synthesis*

These very important methods are employed in whole thesis. Analysis (the process of breaking down a subject and studying its elements and relations among them) is largely implemented in practical section of work. Synthesis (the combining of separate elements into a complete whole) can be found in the part of results of quantitative and qualitative research or in the drawing conclusions.

*Description*

It is possible to see it for example in the theoretical part where fundamental definitions are characterized or in the practical part where acquired findings and experience are introduced. Description means an objective and disinterested characterization of problems or situation.

*Comparison*

It can be noticed in the practical section where are presented contemporary and desired organizational cultures. Comparison is an analysis based on pointing out of similarities and differences between things.

*Inductive and deductive reasoning*

Induction (the reasoning from specific detailed facts to general principles) is indicated in the process of hypotheses formulation. The organizational culture system rationale and its inner functions are derived due to deduction which is opposite practice of induction.

Along with these methods, verification and falsification are also asserted due to confirmation or rejection defined hypotheses.

- **Empirical methods**

*Interview*

The technique which is applied to the practical section of the thesis is semi-structured interview. For more information please see Appendix A V.

The problematic areas of organizational culture are discussed with a predefined sample. Selected employees of Macco Organiques, s.r.o. are as follows: Ing. Charis Stambolidis who is a General Manager of the company and Monika Miklíková who is an Human Resources Specialist. The replies of both of them are recorded in notebook.

*Questionnaire*

This popular measurement instrument is focused on data collection across the entire company. In Macco Organiques, s.r.o. the areas such as: company's environment, system of management, ways of communication within the company, and interpersonal relationships are investigated. The questionnaire is composed of 35 questions (32 Yes, Definitely/Yes, Generally/No, Not Really/No, Definitely Not questions, 1 scaling question, 1 question of multiple choice, and 1



open ended question which is completely unstructured).<sup>1</sup> The questionnaire filling out does not exceed 15 minutes and the instruction and covering letter is included. For more information please see Appendix A III.

### *Observation*

Real-time data for practical part of the thesis is gathered by observation. This technique is practiced directly – the observer is a member of the group under study within 2 months. The information about organizational behaviour is collected by walking casually through a work area and looking around. A stratified sample (a random sample from predefined mutually exclusive subpopulations)<sup>2</sup> is divided into three groups – managers, white-collar workers, and blue-collar workers.

The observation emphasises on particular areas, e.g. interpersonal relationships of working groups and their performance, working conditions. The entire process of observation is systematically recorded.

The information which enables to work up this thesis is derived from primary and secondary data and it is evaluated by qualitative and quantitative point of view.

All the compiled inputs are processed and interpreted by means of standard statistical methods and techniques.

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<sup>1</sup> ASHKANASY, N. M., WILDEROM, C. P. M., PETERSON, M. F. *Handbook of Organizational Culture and Climate*. 1<sup>st</sup> ed. London: Sage, 2000. 692 p. ISBN 0-716-1602-4.

<sup>2</sup> CUMMINGS, T. G., WORLEY, C. G. *Organization Development and Change*. 8<sup>th</sup> ed. Mason, Ohio: South-Western, 2005. 624 p. ISBN 0-3242-2510-5.

### **1.3.3 Main Expected Results of Thesis**

The master's thesis is addressed to the issue of organizational culture in Macco Organiques, s.r.o. and its enhancing. The main expected results should be the responses on the following inquiries:

Question No. 1:     **What is the contemporary situation in Macco Organiques, s.r.o. as far as its organizational culture is concerned?**

Question No. 2:     **What is the relation between organizational culture and firm's strategy of company?**

Question No. 3:     **What is the main issue related to organizational culture in Macco Organiques, s.r.o.? What can contribute to organizational culture improvement and what are the ways how it could be reached?**

To accomplish those objectives it is executed a research.

## 2 THEORETICAL BACKGROUND

### 2.1 General Overview of Organizational Culture

The concept of organizational culture has been considered as an alternative way of understanding behaviour in organizations<sup>3</sup> since the early 1980s<sup>4</sup>. It describes a variety of each organization and nowadays, due to the following factors: first, increasing globalization, second, an assumption that organizational performance depends on employee values, and third, the contentious persuasion that management can consciously manipulate culture to achieve organizational goals<sup>5</sup>, it has become a widely applied approach for organizational researches.

#### 2.1.1 Definition of Organizational Culture

There is not determined a unique definition of organizational culture. Each researcher feels compelled to develop its own definition and thus, organizational culture can be specified from very broad to highly specific range. In example, organizational culture is introduced as:

- “A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well

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<sup>3</sup> MARTIN, J. *Organizational Culture: Mapping the Terrain*. 1<sup>st</sup> ed. London: Sage, 2002. 402 p. ISBN 0-8039-7294-6.

<sup>4</sup> HUCZYNSKI, A., A., BUCHANAN, D., A. *Organizational Behaviour*. 6<sup>th</sup> ed. Harlow: Pearson Education Limited, 2007. 935 p. ISBN 0-273-70835-X.

<sup>5</sup> OGBONNA, E., HARRIS, L., C. *Organizational Culture: A Ten Year, Two-phase Study of Change in the UK Food Retailing Sector*. Journal of Management Studies. 2002, Vol. 39, No. 5. 673-706 p. ISSN 1467-6486.

enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems.”<sup>6</sup>

- “The way how things get done around here.”<sup>7</sup>
- “The collective programming of the mind.”<sup>8</sup>
- “A system of shared values and beliefs that develops within an organization and guides the behaviour of its members.”<sup>9</sup>

All these definitions demonstrate the apparent diversity. However, a few common attributes of organizational culture can be emerged. First, all the definitions refer to some set of values which distinguishes between a good/acceptable behaviour and a bad/unacceptable behaviour. Second, this set of values is held by individuals in a company<sup>10</sup> in a subjective form. Third, it creates a sort of a social part of organization which exists in defined time and place<sup>11</sup> and has a major impact on the performance of organization and the quality of work-life experienced by its members.

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<sup>6</sup> SCHEIN, E. H. *Organizational Culture and Leadership*. 3<sup>rd</sup> ed. San Francisco: Jossey-Bass, 2004. 12 p. ISBN 0-7879-7597-4.

<sup>7</sup> DEAL, T. E., KENNEDY, A. A. *Corporate Cultures: The Rites and Rituals of Corporate Life*. 1<sup>st</sup> ed. MA: Addison-Wesley Publishing Co. Inc., 1982. 4 p. ISBN 0-201-10277-3.

<sup>8</sup> HOFSTEDE, G. *Culture's Consequences: International Differences in Work-Related Values*. 1<sup>st</sup> ed. Beverly Hills, CA: Sage, 1980. 25 p. ISBN 0-803-91306-0.

<sup>9</sup> FRENCH, R. et al. *Organizational Behaviour*. 1<sup>st</sup> ed. Chichester: John Wiley and Sons, Limited, 2008. 379 p. ISBN 978-0-470-51106-0.

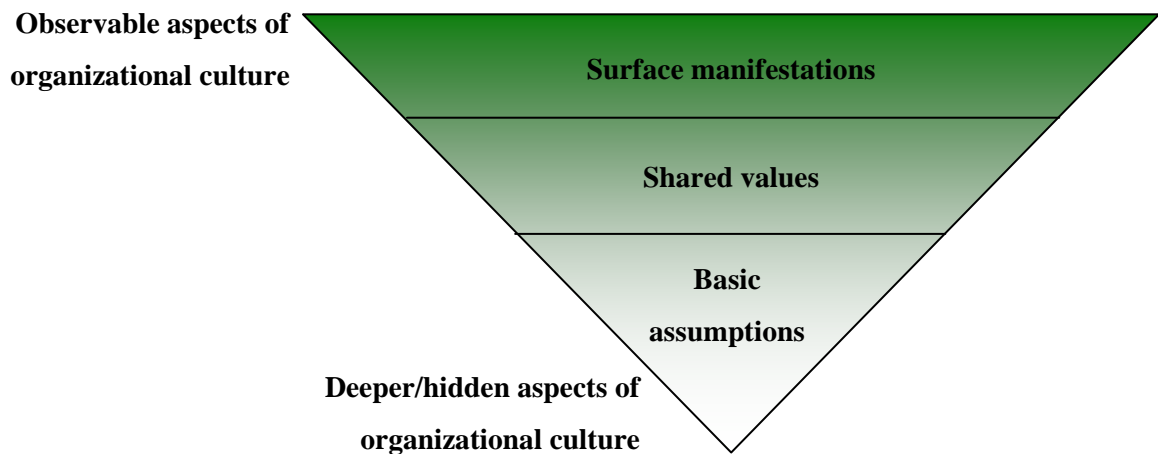
<sup>10</sup> GRIFFIN, R. W., MOORHEAD, G. *Organizational Behavior – Managing People and Organizations*. 8<sup>th</sup> ed. Boston, MA: Houghton Mifflin Company, 2007. 582 p. ISBN 0-618-61158-4.

<sup>11</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení*. 2<sup>nd</sup> ed. Praha: Management Press, 2002. 586 p. ISBN 80-7261-064-3.

### 2.1.2 Structure and Elements of Organizational Culture

Further examination led to the important finding that separation out layers or levels of organizational culture and their elements is needed.

Figure 1. graphically depicts the most discussed model of culture created by E. H. Schein. There are shown three important levels of culture in organizations.



*Fig. 1. Schein's Three Levels of Culture<sup>12</sup>*

The first level relates to surface manifestations of culture. It includes behavioural patterns that a group displays and/or teaches to new employees, such as the unique stories, ceremonials, corporate rituals, artefacts, symbols (dress codes, logos etc.).<sup>13</sup> The second level recognizes shared values which have personal or organizational worth or meaning. E.g. customer obsession belongs there. These are conscious and could be largely influ-

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<sup>12</sup> Source: SCHEIN, E. H. *Organizational Culture and Leadership*. 3<sup>rd</sup> ed. San Francisco: Jossey-Bass, 2004. 17 p. ISBN 0-7879-7597-4. Modified.

<sup>13</sup> FRENCH, R. et al. *Organizational Behaviour*. 1<sup>st</sup> ed. Chichester: John Wiley and Sons, Limited, 2008. 671 p. ISBN 978-0-470-51106-0.

enced.<sup>14</sup> Finally, the third level is consisted of the basic assumptions that individuals hold about the organization. These are invisible, preconscious, “taken for granted” and concern aspects of human behaviour, the nature of reality and the organization’s relationship to its environment.<sup>15</sup>

This mentioned Schein’s understanding of organizational culture has encouraged many other researchers to develop their own organizational culture models derived from the different subject fields which have studied the concept.<sup>16</sup>

### **2.1.3 Determinants of Organizational Culture**

The organizational culture differs with the respect to the factors which influence it. “They can be grouped as follows:

- **Factors related to the environment**

Economic, technical, technological and ecological aspects of company’s activities; social and culture conditions of company development; personalities of company’s managers; company’s rituals and symbols and ways of communication.

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<sup>14</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení*. 2<sup>nd</sup> ed. Praha: Management Press, 2002. 586 p. ISBN 80-7261-064-3.

<sup>15</sup> HUCZYNSKI, A., A., BUCHANAN, D., A. *Organizational Behaviour*. 6<sup>th</sup> ed. Harlow: Pearson Education Limited, 2007. 935 p. ISBN 0-273-70835-X.

<sup>16</sup> BROOKS, I. *Firemní kultura – Jedinci, skupiny, organizace a jejich chování*. 1<sup>st</sup> ed. Brno: Computer Press, 2003. 230 p. ISBN 80-7226-763-9.

- **Factors related to the management**

Firm's concept and strategy; organizational structures and its processes; degree of decentralization/centralization and nature of management processes implemented in company.”<sup>17</sup>

#### **2.1.4 Strength and Functions of Organizational Culture**

From the point of view of the degree of which organizational culture influences the people in organization there are determined two types of culture. First, the strong organizational culture which is characterized by basic assumptions, values, norms and behaviour patterns which are highly shared and have a great impact on organizational operations.<sup>18</sup> Contrast to the strong culture is a weak organizational culture.

“Strong culture fulfils following criteria:

- **Precision and clarity**

Unwritten rules and norms used in company have to be understandable and determined exactly.

- **Width**

The members of organization have to meet organizational culture manifestations in every situation, in every place and at every moment.

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<sup>17</sup> ŠIGUT, Z. *Firemní kultura a lidské zdroje*. 1<sup>st</sup> ed. Praha: ASPI Publishing, 2004. 13-15 p. ISBN 80-7357-046-7.

<sup>18</sup> LUKÁŠOVÁ, R., NOVÝ, I. et al. *Organizační kultura*. 1<sup>st</sup> ed. Praha: GRADA Publishing, 2004. 176 p. ISBN 80-247-0648-2.

- **Embodiment**

It is required the high integration of organizational culture to everyday organizational actions and high identification of organizational members with company's values, patterns and norms."<sup>19</sup>

Further, the organizational culture in relation to its impact on organizational members has two basic functions. These are:

- **Internal integration**

"It is the creation of collective identity by means of matching methods of working and living together."<sup>20</sup>

- **External adaptation**

"It involves reaching goals and dealing with parties external to the organization."<sup>21</sup>

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<sup>19</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení*. 2<sup>nd</sup> ed. Praha: Management Press, 2002. 489-495 p. ISBN 80-7261-064-3.

<sup>20</sup> FRENCH, R. et al. *Organizational Behaviour*. 1<sup>st</sup> ed. Chichester: John Wiley and Sons, Limited, 2008. 400-401 p. ISBN 978-0-470-51106-0.

<sup>21</sup> FRENCH, R. et al. *Organizational Behaviour*. 1<sup>st</sup> ed. Chichester: John Wiley and Sons, Limited, 2008. 400-401 p. ISBN 978-0-470-51106-0.



### **2.1.5 Typology of Organizational Culture**

There are many different cultures but organizational scientists have developed useful ways of organizing and identifying these cultures due to their key similarities.<sup>22</sup> One of the most popular approaches is known as the competing values framework.<sup>23</sup>

Considering the competing values framework, the cultures of organizations differ with respect to two sets of opposite values. First, it is a dimension of valuing flexibility and discretion as opposed to stability, order, and control. Second, it is a dimension of valuing internal affairs as opposed to what is going on in the external environment. By combining both dimensions, as shown in Figure 2 on the next page, the four unique types of organizational cultures can be identified and described.<sup>24</sup>

“Firstly, the hierarchical culture means that a company has an internal focus and emphasizes stability and control. Here, the most effective leaders are good coordinators of projects. It puts stress on a smooth-running organization, often relying on formal rules and policies to do so. Secondly, in the market culture, the core values underlie competitiveness and productivity, focusing on bottom-line results. A company does this by carefully identifying markets in which it is going to compete and then taking a very hard-driving, results-oriented approach to getting things done. Thirdly, clan culture where the organization feels more like an extended family than an economic entity. Here are highly shared goals by company members and high levels of cohesiveness. Finally, ad-

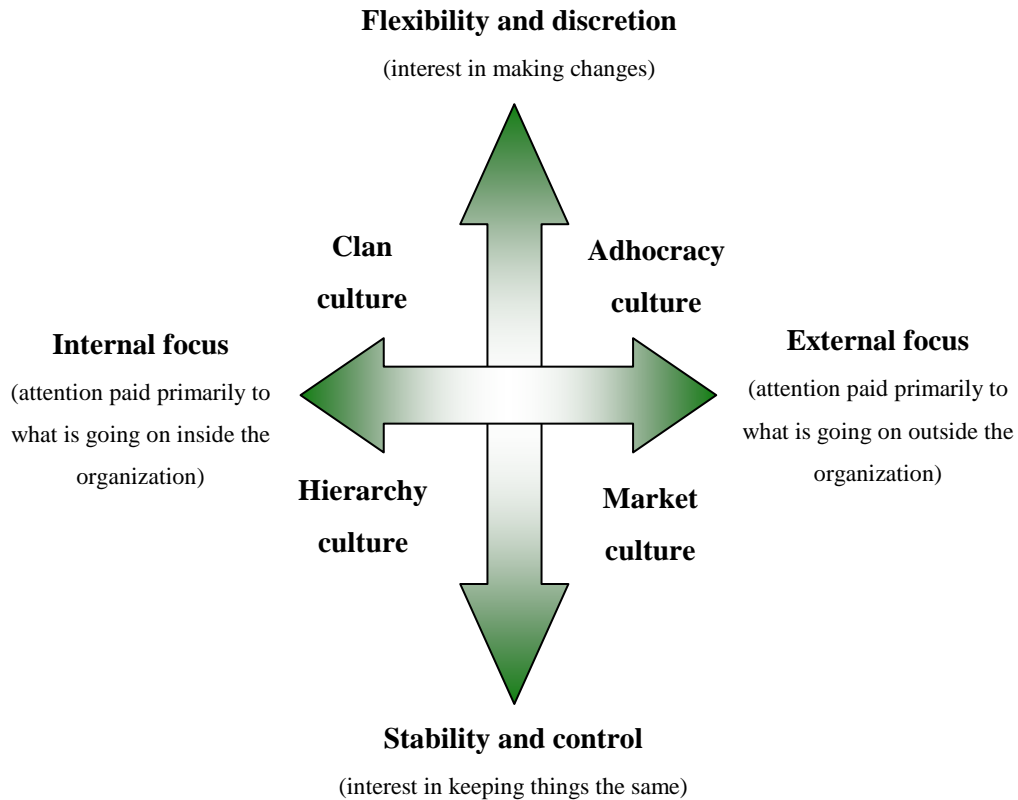
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<sup>22</sup> BRIDGES, W. *Typologie organizace*. 1<sup>st</sup> ed. Praha: Management Press, 2006. 165 p. ISBN 80-7261-137-2.

<sup>23</sup> CAMERON, K. S., QUINN, R. E. *Diagnosing and changing organizational culture: Based on the competing values framework*. 1<sup>st</sup> ed. MA: Addison-Wesley Publishing Co. Inc., 1999. 221 p. ISBN 0-201-33871-8.

<sup>24</sup> GREENBERG, J., BARON, R. A. *Behavior in Organizations*. 9<sup>th</sup> ed. Upper Saddle River, New Jersey: Pearson Education Limited, 2008. 775 p. ISBN 0-1315-4284-2.

hocracy culture in organization deals with cutting across normal bureaucratic lines in order to capture opportunities, solve problems, and get desired results.”<sup>25</sup>



*Fig. 2. The Competing Values Framework According to Cameron and Quinn<sup>26</sup>*

There are many other typology of organizational culture, for example typology of Handy and Harrison or Deal and Kennedy.

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<sup>25</sup> GREENBERG, J., BARON, R. A. *Behavior in Organizations*. 9<sup>th</sup> ed. Upper Saddle River, New Jersey: Pearson Education Limited, 2008. 775 p. ISBN 0-1315-4284-2.

<sup>26</sup> Source: GREENBERG, J., BARON, R. A. *Behavior in Organizations*. 9<sup>th</sup> ed. Upper Saddle River, New Jersey: Pearson Education Limited, 2008. 549 p. ISBN 0-1315-4284-2.

### 2.1.6 Genesis of Organizational Culture

The organizational culture rises and develops itself even though company does not have a strategy for its shaping and does not realize its importance.

The organizational culture may be traced at least in part to the founders of the company who usually play a key role with their strong values and clear visions. The overall process is described in Figure 3.

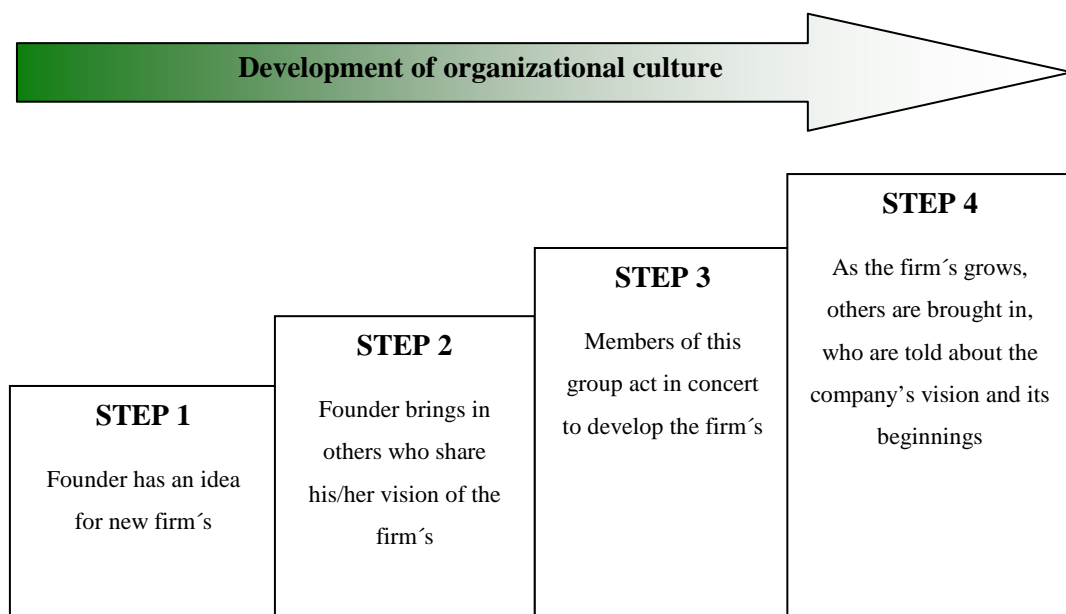


Fig. 3. Company Founder and his/her Influence on Organizational Culture<sup>27</sup>

The experiences with the external environment contribute to the development of organizational culture as well. The organization learns from events and the memories are passed along person to person.<sup>28</sup>

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<sup>27</sup> Source: GREENBERG, J., BARON, R. A. *Behavior in Organizations*. 9<sup>th</sup> ed. Upper Saddle River, New Jersey: Pearson Education Limited, 2008. 775 p. ISBN 0-1315-4284-2.

### **2.1.7 Transmitting and Manifestation of Organizational Culture**

The cultural values of company are transmitted and manifested between people by means of several key mechanisms. These are for example:

- **Symbols**

These are material objects that connote meanings.

- **Slogans**

The phrases which capture organizational culture.

- **Stories**

The stories introduce or reaffirm values to employees very effectively.

- **Slang and jargon**

The everyday language used in company helps sustain culture.

- **Ceremonies**

Ceremonies celebrate the organization's basic values and assumptions.

- **Statement of principle**

Explicitly written statements which describe the principle beliefs that guide an organization (e.g. statement of quality, responsibility) can foster an organization's culture.<sup>29</sup>

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<sup>28</sup> WÁGNER, I. *Systém managementu*. 1<sup>st</sup> ed. Brno: Masarykova univerzita, 2006. 432 p. ISBN 80-210-3972-8.

<sup>29</sup> GREENBERG, J., BARON, R. A. *Behavior in Organizations*. 9<sup>th</sup> ed. Upper Saddle River, New Jersey: Pearson Education Limited, 2008. 775 p. ISBN 0-1315-4284-2.

### **2.1.8 Changing of Organizational Culture**

The relative stability of organizational culture might leave very easily. Shifts in market conditions, new competitors, emerging new technologies, altered governmental policies, and many other factors naturally change how organization operates and thus also its organizational culture.

The managers can help foster or change a culture purposely in order to achieve desired goals. But if they attempt to revitalize an organization by dictating major changes (rather than by building it on shared values), in deeper look organization proves resistance of changes.

If company is forced to do a change or if company decides for its own strategic change, there are steps which have to be kept and company has to comply with them for smooth running:

- Definition of desired organizational culture in relation to firm's strategy, company employees, management processes performed within the organization.
- Analysis of contemporary existing culture in dimensions which are connected with company strategy.
- Building support for organizational culture change in the form of information of employees, education, trainings.
- Monitoring and controlling of organizational culture change. In case of negative and unwanted implications should be implemented remedies and sanctions.
- Diagnosis of changes in culture and evaluation their effectiveness.<sup>30</sup>

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<sup>30</sup> LUKÁŠOVÁ, R., NOVÝ, I. et al. *Organizační kultura*. 1<sup>st</sup> ed. Praha: GRADA Publishing, 2004. 176 p. ISBN 80-247-0648-2.

The implementation of changes is not an easy process. The organizational culture has different levels which are perceived mainly implicitly. The organizational culture also involves all activities performed in company into which is highly incorporated. The organizational culture causes the interdependences among organizational policy, organizational structure, company's systems, people and priorities.<sup>31</sup>

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<sup>31</sup> BROOKS, I. *Firemní kultura – Jedinci, skupiny, organizace a jejich chování*. 1<sup>st</sup> ed. Brno: Computer Press, 2003. 230 p. ISBN 80-7226-763-9.

## 2.2 Organizational Culture and its Influence on Company and Firm's Strategy

The organizational culture is integrated into organization's life and its run. This section deals with organizational culture relations to selected areas – the company's strategy, management processes within the organization, company's performance and summarizes the environment, where company operates and its links to organizational culture.

### 2.2.1 Organizational Culture and Company's Strategy

“Strategy is concerned with matching company's resources and capabilities to the opportunities that arise in the external environment.”<sup>32</sup>

As far as the organizational culture is considered within the context of firm's strategy, there can be classified two aspects and their relations:

- **Content of organizational culture**

The formulation of strategy among others is based on company's culture content, especially its means of understanding of acceptance, sharing and processing thoughts when issues occurred and have to be solved.

During the process of implementation of strategy, the organizational culture shows up too. Organizational culture can create convenient environment or on the contrary, it can constitute overwhelming barrier. If a content of culture is in

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<sup>32</sup> GRANT, R. M. *Contemporary Strategy Analysis*. 6<sup>th</sup> ed. Oxford: Blackwell Publishing, 2008. 125 p. ISBN 978-1-4051-6308-8.

accordance with firm's strategy, there is no risk. But if they are not corresponded to each other the risk of resistance towards strategy realization arises.<sup>33</sup>

- **Strength of organizational culture**

When culture is identified as a strong, the organizational culture tends to limit or restrict members' views and the external experts have to be invited with the aim to help for designing and exercising of strategy.

The firm's strategy and defined strategic goals enforce company's effectiveness, stability and competitiveness on the market.

### **2.2.2 Organizational Culture and Management Processes in Company**

The organizational culture has a significant effect on management processes. The strong organizational culture in agreement with other components of organizational systems causes positive interaction in the processes such as:

- **Coordination**

It is the harmonization process of particular parts of company with respect to goals and their achievement. The company creates common information basis which describes how to behave, deal, and decide in concrete situation. The used tools are as follows: first, structural tools which include instructions, directions, plans, programs etc., second, non-structural tools which allow more subjective interpretation and subjective behaviour involvement.<sup>34</sup>

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<sup>33</sup> LUKÁŠOVÁ, R., NOVÝ, I. et al. *Organizační kultura*. 1<sup>st</sup> ed. Praha: GRADA Publishing, 2004. 176 p. ISBN 80-247-0648-2.

<sup>34</sup> TURECKIOVÁ, M. *Řízení a rozvoj lidí ve firmách*. 1<sup>st</sup> ed. Praha: GRADA Publishing, 2004. 172 p. ISBN 80-247-0405-6.



The more principles, instruction are detailed (with the aim to limit different interpretation), the less motivation, creativity and innovation is required of organizational members. As a result, the coordination and control costs increase, the effectiveness in management processes and overall company effectiveness decline.<sup>35</sup>

- **Integration**

The integration means a making connection among parts of organization and a creation one entire system. Thus, integration function represents an identification of major part of organizational members with superior organizational goals and priorities. Externally, it is manifested as a loyalty of organizational members to organization.

This process is especially referred to large corporations which are divided into many departments, sections or divisions which incline to establish their own subcultures that might be or might be not in accordance with desired behaviour and acting.<sup>36</sup>

- **Motivation**

The organizational culture influences satisfaction of employees and it does not only motivate, but also stimulate them to higher performance, foster employees accommodation and willingness.

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<sup>35</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení*. 2<sup>nd</sup> ed. Praha: Management Press, 2002. 586 p. ISBN 80-7261-064-3.

<sup>36</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení*. 2<sup>nd</sup> ed. Praha: Management Press, 2002. 586 p. ISBN 80-7261-064-3.

### **2.2.3 Organizational Culture and Company's Performance**

The causality between organizational culture and company's performance can be diagnosed by financial (employees' productivity in relation to company's financial results) and non-financial indicators (staff turnover, sickness rate, rate of employees' satisfaction in areas such as: confidence in management and interpersonal relationships, satisfaction with the ways of communication, the working conditions and environment).<sup>37</sup>

Considering the impact of organizational culture on company's performance, again, the strength and content of organizational culture play their roles.

- **Content of organizational culture**

The organizational culture content may have a dual effect. By means of relationship between values and behavioural norms in organizational culture, members of organization are activated and thanks to it, strategic goals which are stated in compliance with organizational culture content are accomplished gradually. On the contrary, if the organizational culture content is not consistent with organization strategy, it creates barrier to good performance.

- **Strength of organizational culture**

When company's culture is strong, organizational culture makes a clear and easy understandable look of organization for its employees, creates conditions for direct and unambiguous communication, enables fast decision-making process, cuts control costs, boosts motivation and team spirit.<sup>38</sup> On the other hand, strong

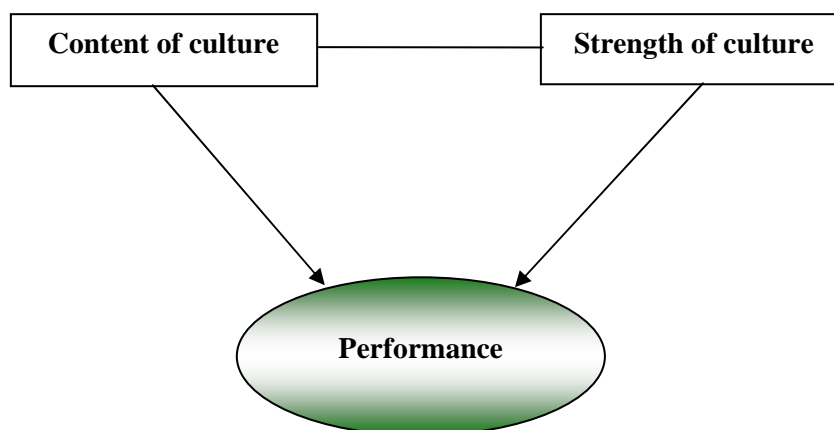
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<sup>37</sup> *HR Controlling 2008 – Shrnutí. Měření výkonnosti lidského kapitálu.* Praha: Poradenství pro lidské zdroje, PricewaterhouseCoopers, 2008. Without ISBN.

<sup>38</sup> BEDRNOVÁ, E., NOVÝ, I. et al. *Psychologie a sociologie řízení.* 2<sup>nd</sup> ed. Praha: Management Press, 2002. 586 p. ISBN 80-7261-064-3.

culture usually limits and restricts organization due to a lack of flexibility in traditional patterns of behaviour.

The impact of organizational culture content and strength on company performance according to Lukášová, R. and Nový, I. is determined in Figure 4.



*Fig. 4. The Influence of Organizational Culture on Company's Performance<sup>39</sup>*

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<sup>39</sup> Source: LUKÁŠOVÁ, R., NOVÝ, I. et al. *Organizační kultura*. 1<sup>st</sup> ed. Praha: GRADA Publishing, 2004. 176 p. ISBN 80-247-0648-2.

### **3 SUMMARY OF THEORETICAL BACKGROUND**

The previous sections give a brief review of theoretical background related to organizational culture. After an analysis and a comparing this summary, it can be concluded that in contemporary theoretical literature is wide range of different approaches, attitudes and opinions on organizational culture, causing by various methodology and distinguish perspectives which are applied to this area.

The organizational culture is a controversial concept, however, the new trends in organizational culture more and more emphasize a need for its understanding and suggest that a suitable culture is a powerful lever which can underpin organizational commitment, higher morale, more efficient productivity, and generally higher performance.

Without question, the organizational culture, as a “system of shared values and beliefs that develops within an organization and guides the behaviour of its members”<sup>40</sup>, influences everyday actions and processes implemented within company. Thus, it is required that a content and strength of organizational culture are in accordance with the firm’s strategy. On the contrary, organizational culture may create barrier and have a negative impact on company’s development.

The organization may change its organizational culture due to external factors, such as shifts in market conditions or emerging new technologies, or internal factors, when organizational culture declines company’s success concerning its strategic goals.

Based on this theoretical outline the practical part follows.

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<sup>40</sup> FRENCH, R. et al. *Organizational Behaviour*. 1<sup>st</sup> ed. Chichester: John Wiley and Sons, Limited, 2008. 379 p. ISBN 978-0-470-51106-0.

## 4 ANALYSIS OF ORGANIZATIONAL CULTURE

For the master's thesis purpose is chosen a manufacturing company Macco Organiques, s.r.o.

### 4.1 Fundamental Information about Macco Organiques, s.r.o.

#### 4.1.1 Profile of Macco Organiques, s.r.o.

The Macco Organiques, s.r.o. is fine chemicals producer which is located in the North Moravian town of Bruntál in the Czech Republic (for more information please see Appendix A I). It was established by acquiring the assets of a long-standing chemical manufacturing company which was a part of the OSRAM Group. The mother company Macco Organiques Inc. (which is by 50% own by Canadian company Lallemand Inc.) is situated in Canada.

Macco Organiques, s.r.o. is a middle-sized company with 76 employees (for more information please see Appendix A II) and its field of activity is world wide, mainly operates in North America, South America, Western Europe, Japan, South East Asia, Australia and New-Zealand.<sup>41</sup>

Company, during its brief history, has become the world leader in the production of pharmaceutical/food grades of Magnesium Chloride Hexahydrate and Calcium Chloride Dihydrate.<sup>42</sup> These all are further applied to infusion solutions, dialysis solutions, baby food, infant formulas, nutritional supplements, pharmaceuticals, analytical chemistry etc.

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<sup>41</sup> Internal Company Report A.

<sup>42</sup> Macco Organiques, s.r.o. *History* [online]. [cit. 2009-07-09]. Available at WWW: <http://www.macco.cz/history/history.html>.

#### **4.1.2 Strategy of Macco Organiques, s.r.o.**

Overall strategy can be found in mission statement of company in its internal documents. Company has also defined other areas concerning, e.g. quality of its products. In those documents are determined the particular actions which would be taken to achieve company goals.

The company main statements are:

- **Mission Statement**

Macco Organiques, s.r.o. aims to produce high quality products that meet customer's demands in an enthusiastic and efficient manner with a dedicated professional team.

- **Quality Statement**

High quality is an absolute priority at Macco Organiques, s.r.o. The company has, e.g. GMP Certificate (according to ICH Q7A guidelines), ISO 9001:2000, Certificate of Suitability.

- **Health, Safety and the Environment**

Company, for example, takes great care to prevent any possible negative impact on surroundings and this reflects in its products as well.

- **People**

Macco Organiques, s.r.o. is prided itself on the quality and commitment of its people.<sup>43</sup>

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<sup>43</sup> Internal Company Reports A, B, C, D.

#### 4.1.3 Strategy Analysis of Macco Organiques, s.r.o.

“For the strategy to be successful, it must be consistent with the firm’s external environment, and with its internal environment – its goals and values, resources and capabilities, and structure and systems.”<sup>44</sup>

The most common approach to strategy analysis is the SWOT framework, which classifies the various influences on a firm’s strategy into four categories: Strengths, Weaknesses, Opportunities, and Threats. The first two relate to the internal environment, the last two relate to external environment.

*Tab. 1. Opportunities and Threats of Macco Organiques, s.r.o.*

Opportunities	Threats
<ul style="list-style-type: none"><li>• New markets in China, Korea, India, Middle East and East Europe</li><li>• New strategic partnerships</li><li>• EU funding withdrawal</li><li>• Implementation of new methods for employees development and satisfaction</li></ul>	<ul style="list-style-type: none"><li>• Potential risk of toxic chemical realise</li><li>• Availability and accessibility of specialists and fluctuation of employees</li></ul>

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<sup>44</sup> GRANT, R. M. *Contemporary Strategy Analysis*. 6<sup>th</sup> ed. Oxford: Blackwell Publishing, 2008. 12-13 p. ISBN 978-1-4051-6308-8.

*Tab. 2. Strengths and Weaknesses of Macco Organiques, s.r.o.*

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"><li>• High quality products (Certificates of ISO, GMP, GDP and Kosher standards)</li><li>• Large product portfolio</li><li>• Production based on modern technologies</li><li>• Own on-site laboratories including research</li><li>• Long-term experience on the market thanks to mother company</li><li>• Stability on the market and knowledge about competition</li><li>• Good reputation, customer satisfaction</li><li>• Highly skilled people and specialists</li></ul>	<ul style="list-style-type: none"><li>• Low possibility for further manufacturing capacity</li><li>• Transportation accessibility of company</li><li>• Dependence on mother company Macco Organiques, Inc.</li><li>• Dissolution of strategic partnerships</li><li>• Language ability of employees</li></ul>

If the company eliminated its threats, conceptually solves the weaknesses and maintains strengths, it would be able to realize the identified opportunities efficiently.

The other analysis which is used for description of competition is Porter's Five Forces. It views the profitability of an industry as a determined by five sources of competitive pressure. These are:<sup>45</sup>

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<sup>45</sup> GRANT, R. M. *Contemporary Strategy Analysis*. 6<sup>th</sup> ed. Oxford: Blackwell Publishing, 2008. 71-84 p. ISBN 978-1-4051-6308-8.



- **The threat of substitutes**

The threat of substitutes of used chemicals is at a minimal or at a zero level. In the contemporary chemical industry there is not an opportunities for substitutions of particular chemical elements.

- **The threat of the entry of new competitors**

There is a potential for entries of new competitors on the market. However, the capital requirements, difficult access to distribution channels, existed strategic partnerships, government and legal barriers are such significant that the entry of new competition is almost at a zero level.

- **The intensity of competitive rivalry**

There are two companies dominate on the market. These are Macco Organiques, Inc. (50% share own by Lallemand, Inc.) with its subsidiary and Merck Group. Both of them compete on the market for larger share.

- **The bargaining power of buyers**

The Macco Organiques, s.r.o. has had to compete with Merck Group and this fact gives a power to buyers. On the market there are a few significant concerns (e.g. Fresenius AG) which have had a power to bargain huge discounts. The other available manufacturing capacities are given to buyers which are price insensitive and have had a weak position in bargaining.

- **The bargaining power of suppliers**

The power of suppliers is at a minimal level. They are pushed to supply the large concerns because there do not exist many companies to make a potential change.

To conclude, the concentration of the companies in this industry is low. The threat of substitutes is at low level as well. There are significant barriers which limit the entry of the new competition. The strong bargaining power has just a few corporations which have operated on the market, other buyers are price insensitive and the power of suppliers is weak.

## **4.2 Research Process of Organizational Culture**

This section describes the steps taken in order to research the organizational culture issues that mattered to the company. The first step is a thorough interview with the company General Manager and Human Resources Specialist. A major part of the research is carried out by questionnaire distributed to the employees and by observation.

### **4.2.1 Interview with General Manager and Human Resource Specialist**

The General Manager, Ing. Charis Stambolidis, and Human Resources Specialist, Monika Miklíková, were met at the appointed days and times (General Manager – February 16<sup>th</sup>, 2009, Human Resources Specialist – February 17<sup>th</sup>, 2009). As it can be deduced, semi-structured interview was provided with both of them separately and the meeting took places in their offices in Bruntál. The questions were related to organizational culture with focus on problems and weak points of the company from their point of view.

### **4.2.2 Questionnaire**

According to objectives of research it was dissected the questionnaire into three main areas concerning dominant features of company and working atmosphere and conditions, management system and ways of communication, and interpersonal relationships.

For the used questionnaire was chosen the combination of closed ended questions and open ended questions. The closed ended questions were divided into three groups which are: first, Yes, Definitely/Yes, Generally/No, Not Really/No, Definitely Not questions, second, a scaling question was added to consider company environment and relations between line-managers and their employees, and third, a question multiple choice where

the respondent has several option from which to choose. The open ended question was added as completely unstructured.

The four scale spectrum in the answers Yes, Definitely/Yes, Generally/No, Not Really/No, Definitely Not were chosen in even number consciously for the reason to prevent “median” or so called neutral answers of respondents. Thus, the respondents had to decide their answers clearly. If, in the research wider spectrum of scale were used, the answers would be more accurate for mathematical and statistical expression, however, practically it would let to above mentioned neutral answers. On the other hand, if the lesser spectrum of scale were implemented, for example three scale spectrum, it would lead to easier decision-making processes for the respondents, but the accuracy of research would depict considerably. Thus, the final questionnaire is a compromise between required simplicity for the respondents as well as the requested information quality for the research purpose.

The forming of questionnaire aimed to construct understandable, in ornate and well-arranged questionnaire. The final form of questionnaire is shown in Appendix A III. The filling questionnaire should not exceed 15 minutes. The filling of questionnaire was arranged as a chosen encircling or ticking off pane in front of right answers or writing own remarks and opinions. The questionnaire does consideration the title than the purpose of questionnaire, thanking the employees for filling and instructions on how to fill the questionnaire.

When questionnaire was finally designed, it was sent out to 10 respondents (in Czech language) as a pre-research. Five of the respondents were university students. They did not have any problem with understanding the questions. Three of the pre-research respondents were employees with educational attainment at high school. They did not have any problem with understanding; they were comfort with the chosen the answer by circling or ticking off the answers. The others were employees with skilled educational

attainment. These respondents understood all questions and answers. The remark of one of them was to reduce the amount of questions.

After the pre-research, in which was not noticed important problem related to questionnaire, questionnaires were distributed in envelopes to managers and then to the employees. The envelopes were used because of better keeping anonymity of respondents. The questionnaire survey was executed in the period from May 4<sup>th</sup> to May 29<sup>th</sup>, 2009.

#### **4.2.3 Observation**

According to the agreement with General Manager, Ing. Charis Stambolidis, within two months (March, April 2009) the information about organizational behaviour was gathered by virtue of observation. The employees of the company were divided into three groups – managers, white-collar workers, and blue-collar workers and by means of walking casually through a work area and looking around (in the factory building always with supervisor because of keeping safety regulations and standards of company) data were collected.

#### **4.2.4 Content Analysis of Company Documents**

Content analysis of company documents provided the basic information of company, its structure as well as the process of assessment of employees etc.

### 4.3 Research Analysis of Organizational Culture and Discussion

#### 4.3.1 Results of Interview

Based on the semi-structured interview (for more information please see Appendix A V) with the two selected employees in the company (General Manager, Human Resources Specialist) were gathered those information:

- The company strategy is defined only generally, thanks to the main goal. Macco Organiques, s.r.o. aims to produce high quality products that meet customer's demands in an enthusiastic and efficient manner. The strategy determination is interlaced with particular actions, for example the one main of them is that company acquired a plant for increasing of manufacturing capacity in long-term horizon.
- The fundamental problem related to organizational culture is seen in communication within company, especially between factory building and administration background of company, stimulation and motivation of employees.
- The company promotes itself based on the following tools mainly:

Internet web page: <http://www.macco.cz/index.html>

Logo and slogan



*Fig. 5. Company's Logo and Slogan*

Advertising materials, leaflets and catalogues

Participation in trade fairs all over the world, e.g. France

- The company has available certain certifications and registrations. These are: GMP Certificate (according to ICH Q7A guidelines), ISO 9001:2000, Certificate of Suitability, Drug Master File, HACCP, Kosher certificate, Halal certificate.
- The company keeps each Law regulations of the Czech Republic, especially safety regulations and norms. The working conditions in the company are good. However, four-shift operations for workers are certainly very exacting for their health.
- Employees are assessed by virtue of two ways: first, the assessment of employee by his/her line-manager, second, the self-assessment employee system. Both of them are provided quarterly.
- Rewarding system and wages principles are based on collective labour agreement. The wages are determined according to wages allotments and bonuses in relation to stated criteria and they are paid out monthly for workers and machine operators, quarterly or yearly for others. The company offers the benefits in form of boarding allowances for all employees. The company provides also benefits of holidays (5 weeks), state contributory supplementary pension, children recreation and responsibility insurance. The managers have an option to use the company's cars, mobile phones and notebooks. Till lately the one of the benefit was also the pre-paid tickets to the swimming pool, however, the swimming pool is under construction these days and company searches for suitable substitute.
- The company has the social fund which is also used for presents for employees (working or life anniversary, Christmas).
- The company arranges regular meetings with managers once a week. There are discussed reports of production, plans for the next week as well as for example issues which occurred in any department and the potential solutions of the situation. The managers instruct their subordinations according to their judgments. The company disposes of central system, called K2 which is used for each actions taken in corporate. Other communication of employees is based on personal or e-mail communication. Each department has its own letter box.

- The employees are trained in respect of their specialization and working position.
- Overall conclusion of interviewed people was that there is no need for radical organizational culture change. The huge innovation is not going to be planned. But in the future is required more amount of the highly skilled employees and research and development specialists in connection with already acquired plant.

#### **4.3.2 Summary of Results of Interview**

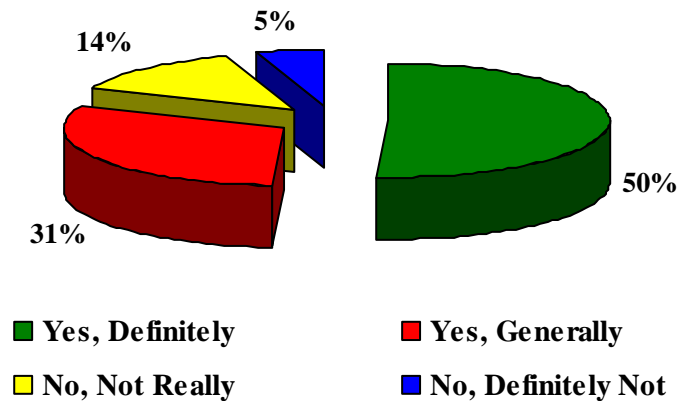
The company has some problems in organizational culture area. First, internal communication between factory building and administration section should be improved. Second, the company seeks suitable substitute of prepaid tickets to the swimming pool which could not be used now. Third, the future need for highly skilled employees and specialists for research and development shows that company would have to find out the instruments how to attract them.

#### **4.3.3 Results of Questionnaire**

A total of 76 questionnaires were sent out and 59 returned back in time for evaluation which represents ca 78% of the concerned employees. For the characterization of the sample of respondents, 44% were respondents working in administration and staff office, 56% were machine operators and workers. Due to the fact that the company was established in 2003, the other features of respondents such as the duration of employment in the company were not involved. These answers would have a low information quality and meaning for the research results.

The evaluation of the returned questionnaire was made as a percentage share in pie diagrams mainly. Thanks to it to each question (1 – 35) is paid the same attention.

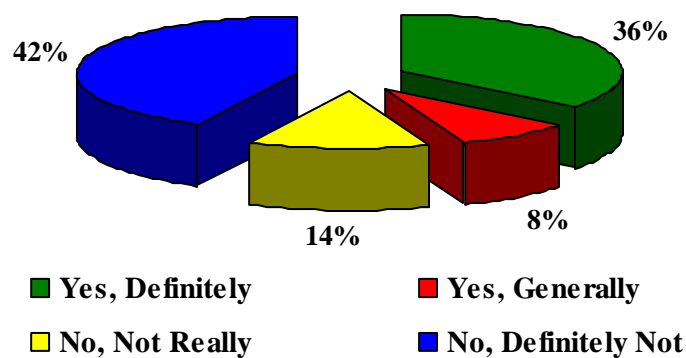
**Question No. 1:** If you were once more deciding about your job. Would you choose this company again?



*Fig. 6. Question No. 1*

This question shows that 81% of respondents are overall satisfied with their job and would choose it again if they could. The question is linked to other questions stated below and has only generally meaning.

**Question No. 2:** Do you know company's vision?

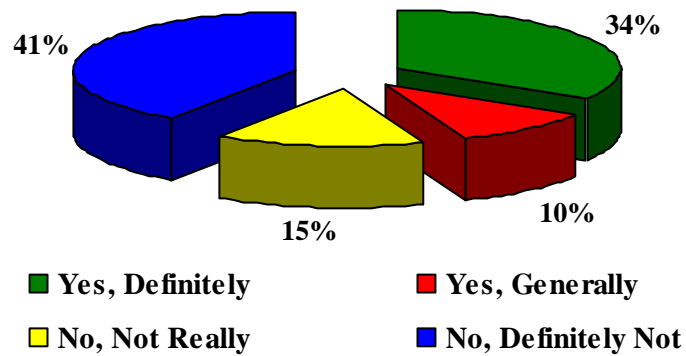


*Fig. 7. Question No. 2*

The question describes foreknowledge of respondents about company. Surprisingly, 56% of them do not know the company's vision. It means that the information process within the company should be improved.



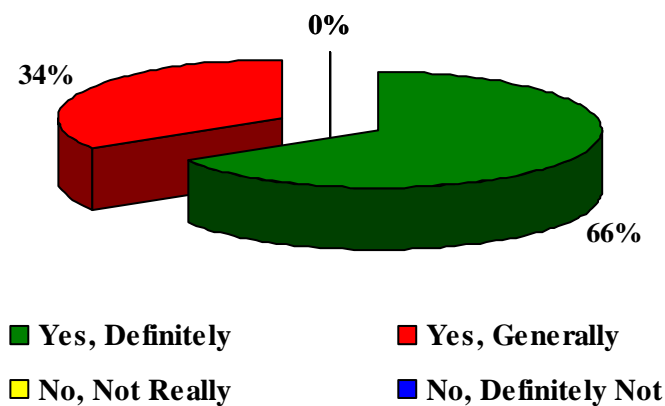
**Question No. 3: Do you receive information regarding the company policy?**



*Fig. 8. Question No. 3*

The question follows the previous question and proves that the more that half of respondents are not informed well about company's intentions. The detailed look and link with the question no. 34, give the answer that the respondents who do not know the company vision are mostly workers and machine operators.

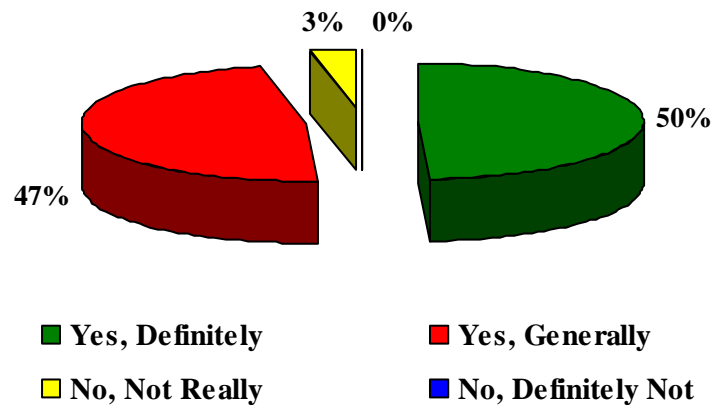
**Question No. 4: Do you respect company's interests?**



*Fig. 9. Question No. 4*

In spite of the fact that respondents are not informed about company's interests they do realize and understand that company has its own interests and respect them.

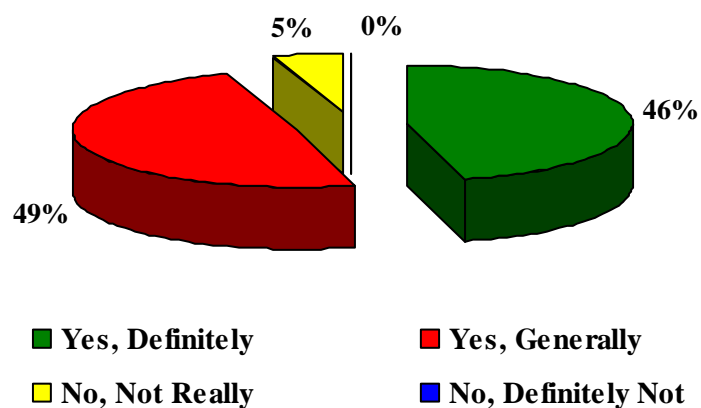
**Question No. 5: Do you promote a good reputation of company in your surroundings?**



*Fig. 10. Question No. 5*

From the question no. 5. is obvious the loyalty of respondents to company. This result is very likeable, but, in the period of financial crisis there is the problem of its overall verification, people tend to be more careful concerning the similar statements.

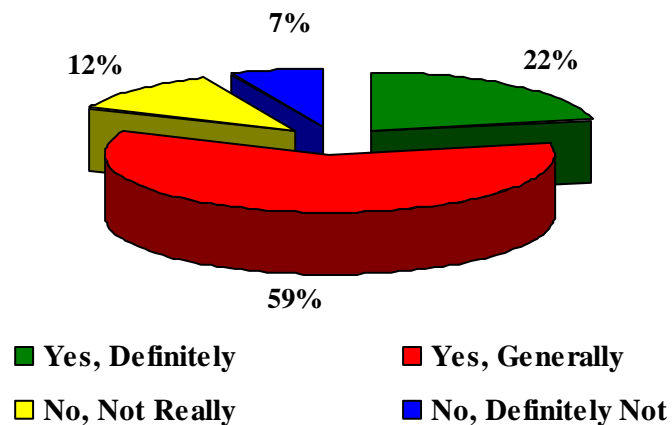
**Question No. 6: Would you recommend working for your company any of your friends?**



*Fig. 11. Question No. 6*

The very high loyalty to company is demonstrated in this question as well.

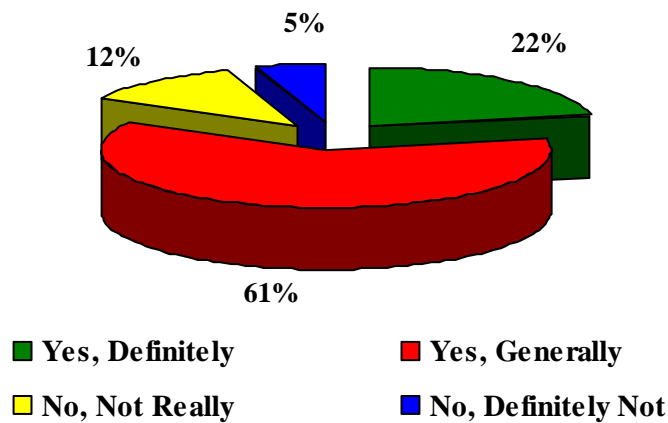
**Question No. 7: Are you satisfied with your job?**



*Fig. 12. Question No. 7*

The overall satisfaction is for 81% of respondents at a good level. The question is considered with the following questions in relation to the working atmosphere, rewarding and wages system.

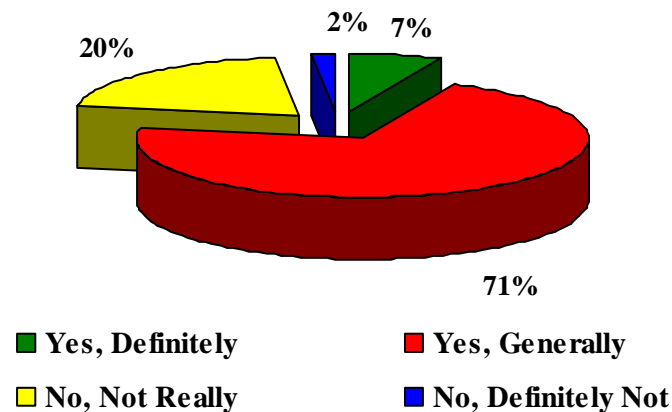
**Question No. 8: Do you like the working atmosphere in the company?**



*Fig. 13. Question No. 8*

The respondents feel good about overall working atmosphere in company. 83% of them is satisfied and like it. This question has a connection with other questions, e.g. no. 9.

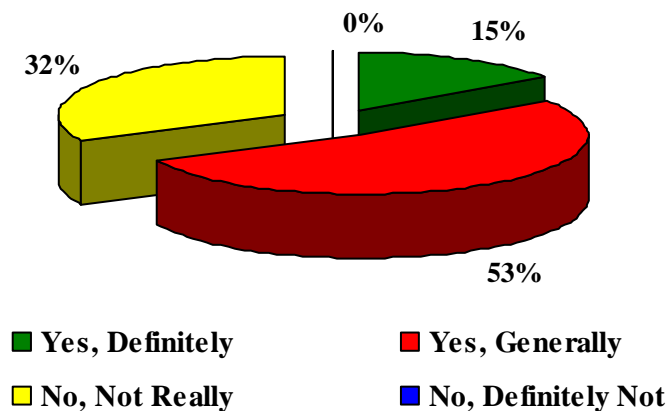
**Question No. 9: Are you satisfied with interpersonal relationships in company?**



*Fig. 14. Question No. 9*

The 78% of respondents are satisfied with the interpersonal relationships. This fact maintains overall satisfaction with the working atmosphere.

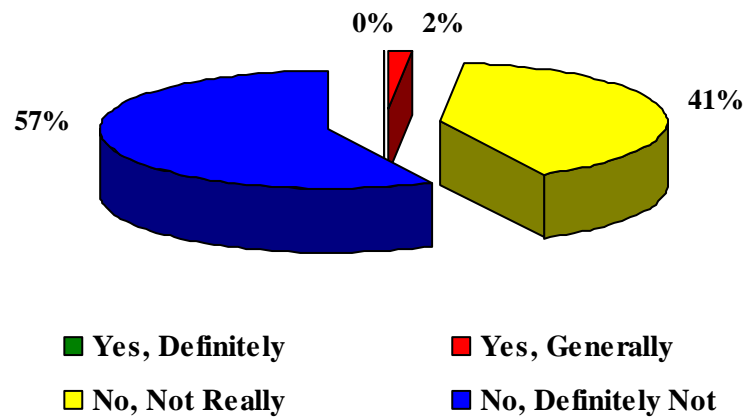
**Question No. 10: Are in the company any bad employees' manifestations, e.g. slander?**



*Fig. 15. Question No. 10*

There is apparent that in the company as well as everywhere there are sometimes the bad manifestations and people do perceive it.

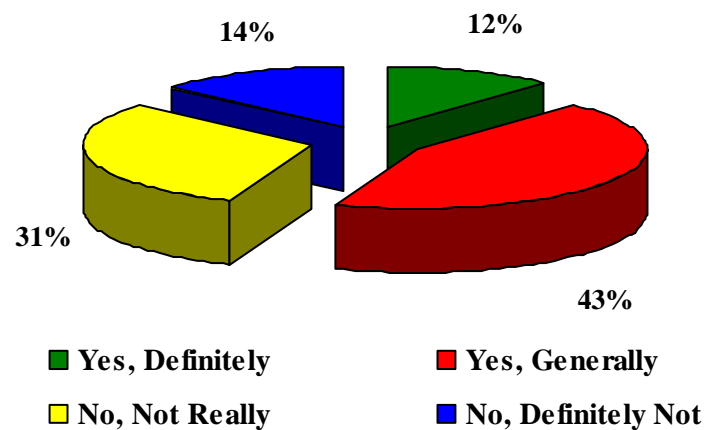
**Question No. 11: Do you think that these manifestations should be sanctioned?**



*Fig. 16. Question No. 11*

The question reflects the common sense of respondents. The bad manifestations are natural and should not be sanctioned. For this reason this factor would not be further considered.

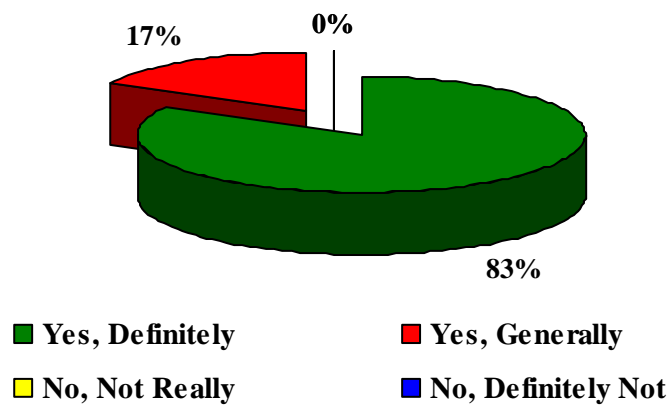
**Question No. 12: Are you stressed while working?**



*Fig. 17. Question No. 12*

This point displays that the stress goes along with work undoubtedly. Stress is not the factor which could be influenced by company, it is more about person nature.

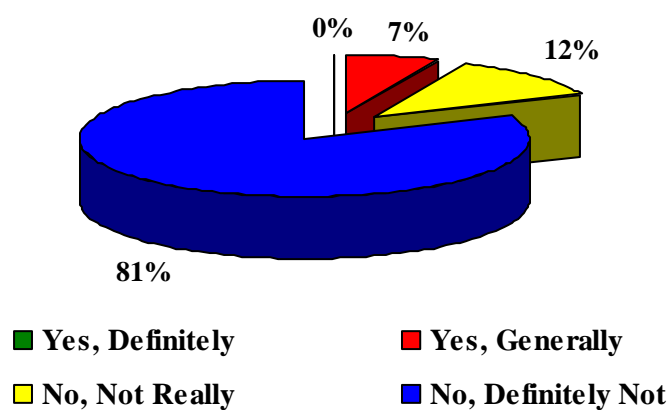
**Question No. 13: Do you have materials, tools and facilities which you need for your job?**



*Fig. 18. Question No. 13*

This question demonstrates that the company concerns about employees and they appreciate it.

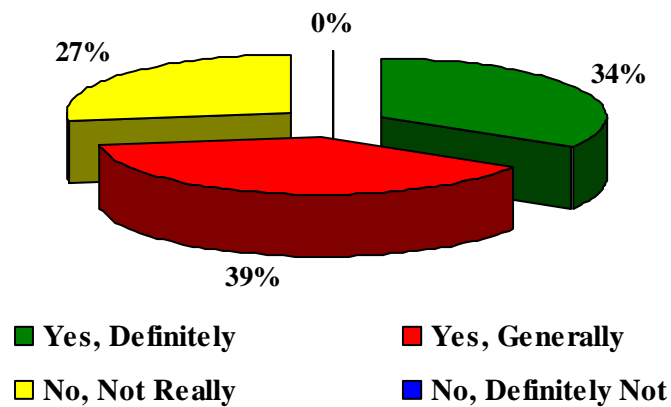
**Question No. 14: Do you get sometimes a work which is not fitted to you and your job description strictly?**



*Fig. 19. Question No. 14*

The manufacturing company has system of management and written detailed job descriptions. The 93% of respondents do not get the work which is not theirs.

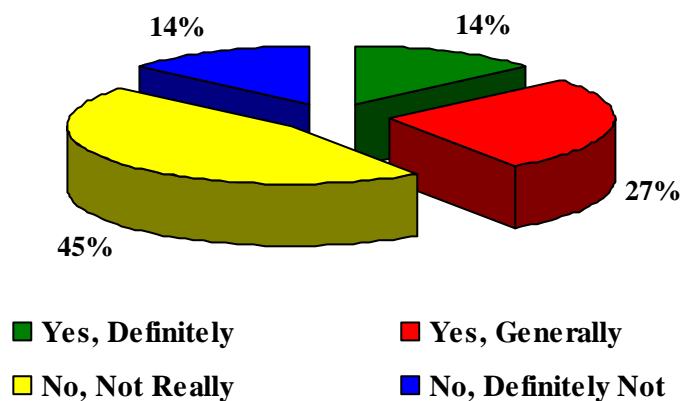
**Question No. 15: Do you get information which you need for your job officially?**



*Fig. 20. Question No. 15*

The communication within the company is performed mainly in official way. It is positive factor, because there is no a space for potential disputes with respect of bad informal instructions.

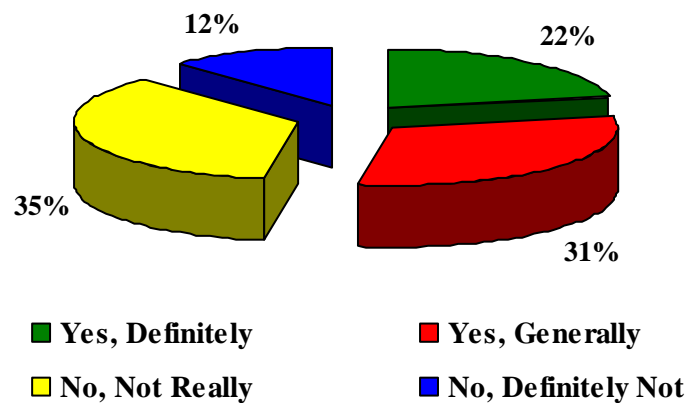
**Question No. 16: Do you realize any manifestations of conflicts between employees at your workplace?**



*Fig. 21. Question No. 16*

Over the half of respondents are overall satisfied with their working atmosphere and this question shows that there are not many conflicts.

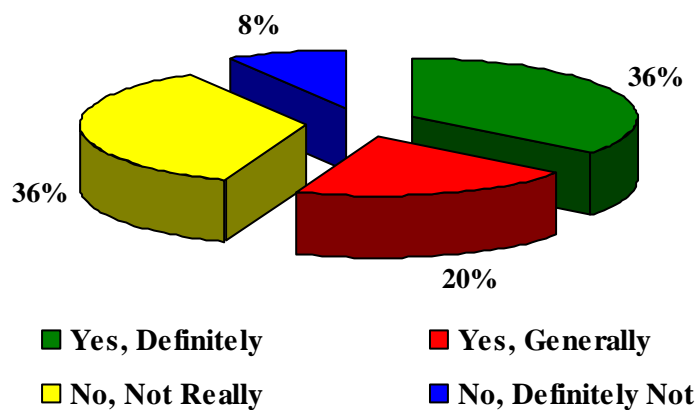
**Question No. 17: Do you actively participate in problem's solving process at your workplace?**



*Fig. 22. Question No. 17*

The 47% of respondents are not involved in the process of solving within the company. Considering the relation between question no. 34, almost all the workers from factory building chose the answer No, not really or No, definitely not.

**Question No. 18: Are your opinions respected by your co-workers, line manager etc.?**

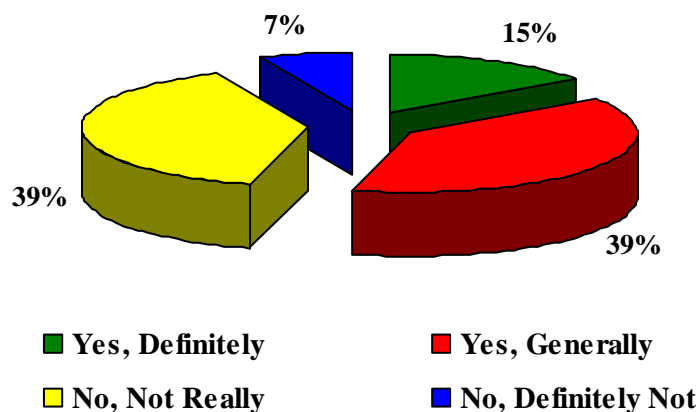


*Fig. 23. Question No. 18*

The 56% of respondents feel that they are recognized in company.



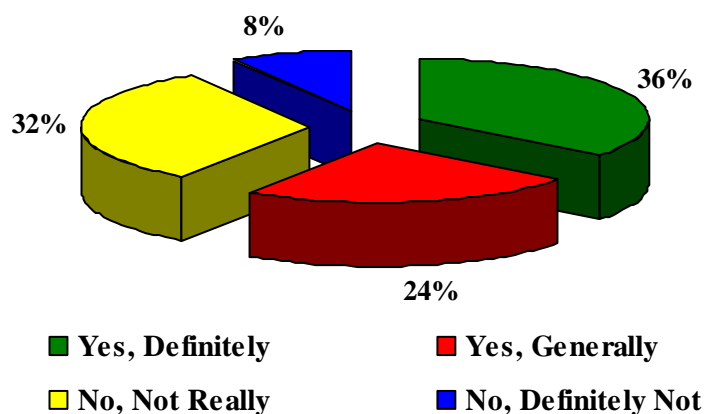
**Question No. 19: Are your suggestions of solving situation considered, eventually implemented?**



*Fig. 24. Question No. 19*

The 54% of respondents think that their suggestions are considered, they feel to be listen by their co-workers, line-managers. Possibility of discussions is closely related to over-all satisfactions of employees.

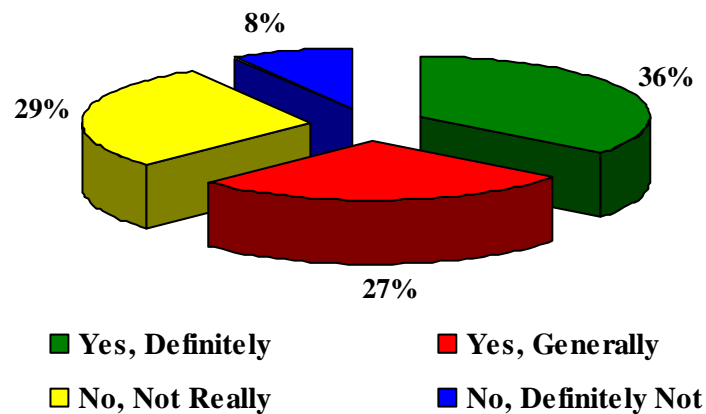
**Question No. 20: Is the cooperation and communication in the company at a good level?**



*Fig. 25. Question No. 20*

There can be noticed that 60% of respondents are satisfied with cooperation and communication in the company. It is very important indicator.

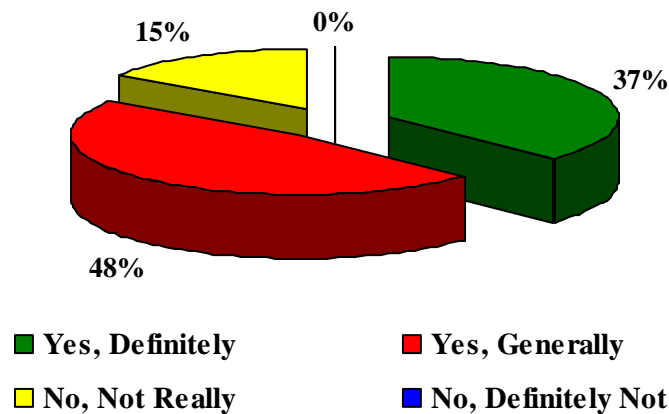
**Question No. 21: Is everyday communication between employees at a formal level?**



*Fig. 26. Question No. 21*

The 61% of respondents evaluate their everyday communication as a formal.

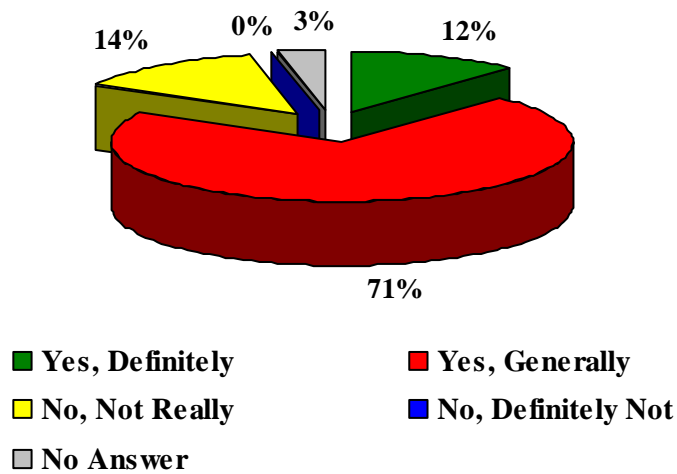
**Question No. 22: Is it important to you that your line manager is easily accessible?**



*Fig. 27. Question No. 22*

For more than 80% of respondents is important that their line managers are easily accessible. This question is in relation to the following questions.

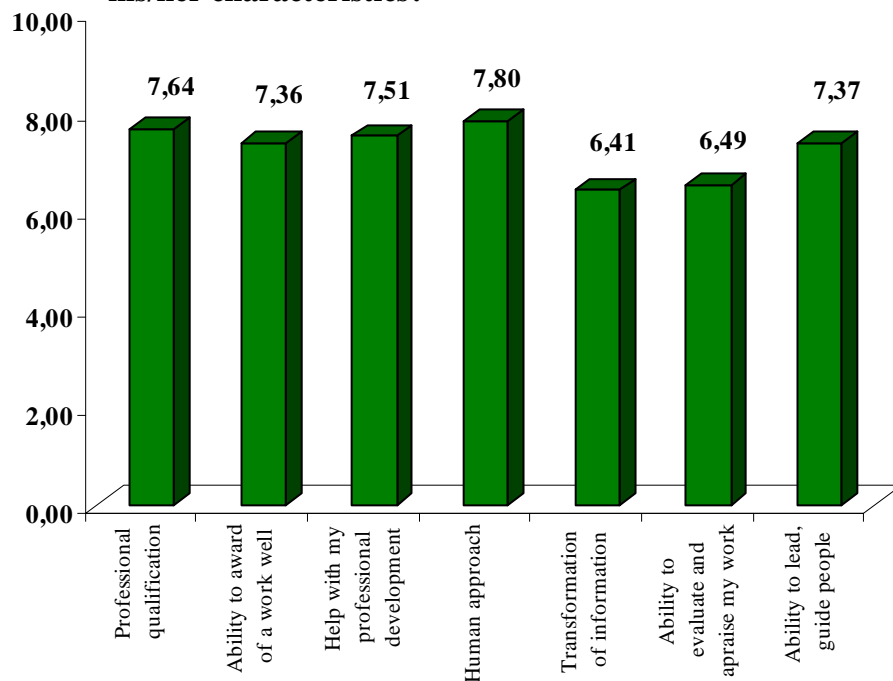
**Question No. 23: Is your line manager able to listen to you when you need it?**



*Fig. 28. Question No. 23*

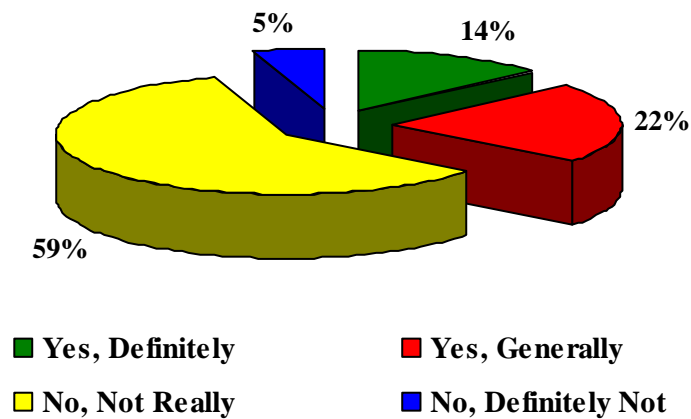
The 83 % of respondents feel that their line managers listen to them and their overall evaluation is in the question no. 24 (in average).

**Question No. 24: Considering your line manager, how are you satisfied with his/her characteristics?**



*Fig. 29. Question No. 24*

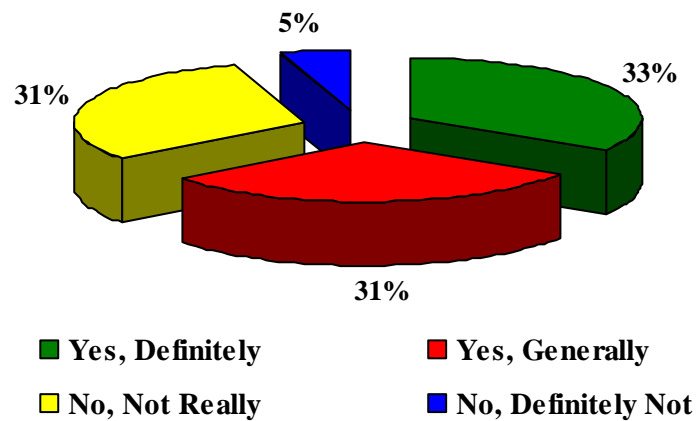
**Question No. 25: Do you think that company fosters your development?**



*Fig. 30. Question No. 25*

The question is linked to question no. 26. Only 33% of respondents think that company helps them with their development.

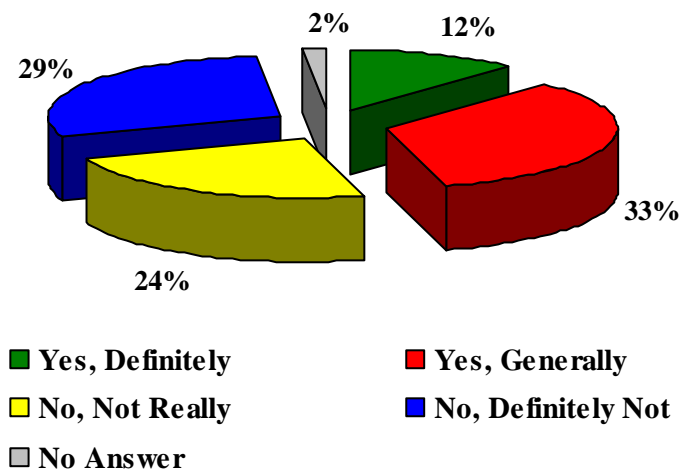
**Question No. 26: Do you have a chance for further development of your job skills in the company, e.g. seminars, training?**



*Fig. 31. Question No. 26*

The 64% of respondents feel a chance for further develop within the company. This indicator should be improved.

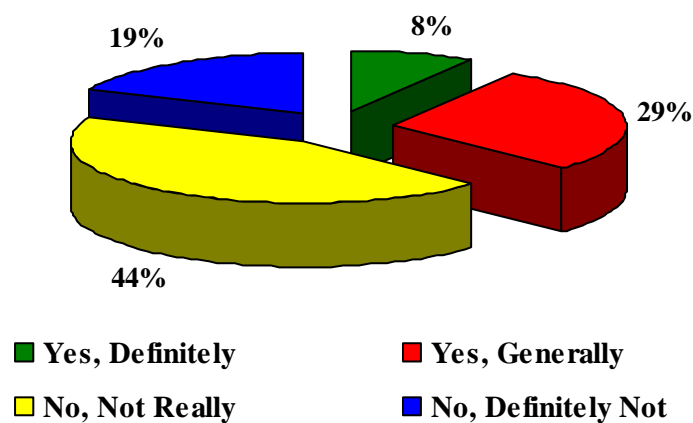
**Question No. 27: Are you satisfied with possibility of career promotion within the company?**



*Fig. 32. Question No. 27*

The 45% of respondents feel satisfaction with the career promotion. The career system in company is strictly stated and, for example for workers in factory building who have been working in four-shift system is not highly motivational.

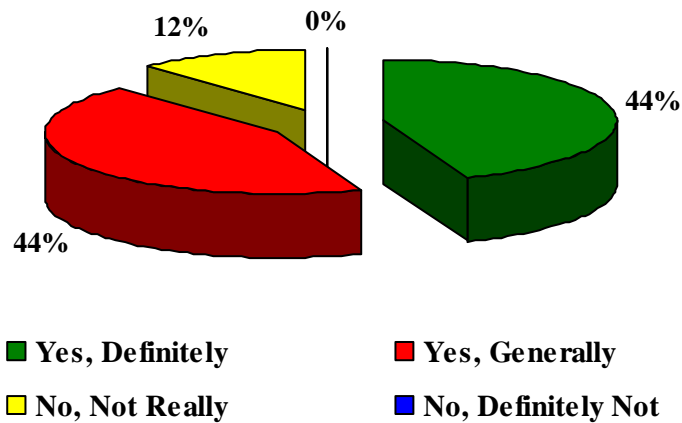
**Question No. 28: Are you satisfied with rewarding system and wage principals in the company?**



*Fig. 33. Question No. 28*

This result should be considered. Only 37% show satisfaction.

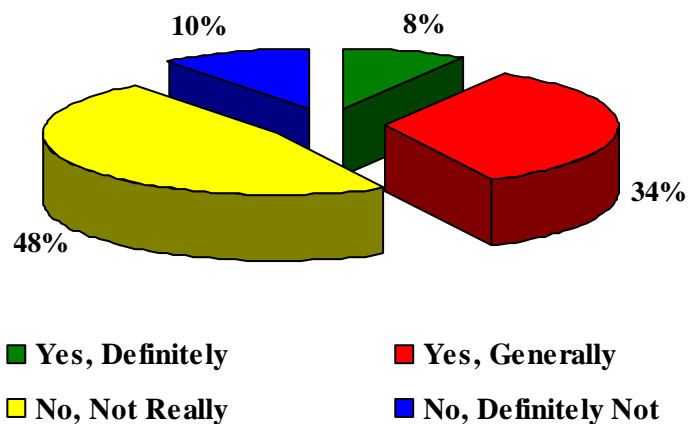
**Question No. 29: Do you regularly get an appraisal?**



*Fig. 34. Question No. 29*

The 88% agree that they regularly get an appraisal. It is a positive indicator.

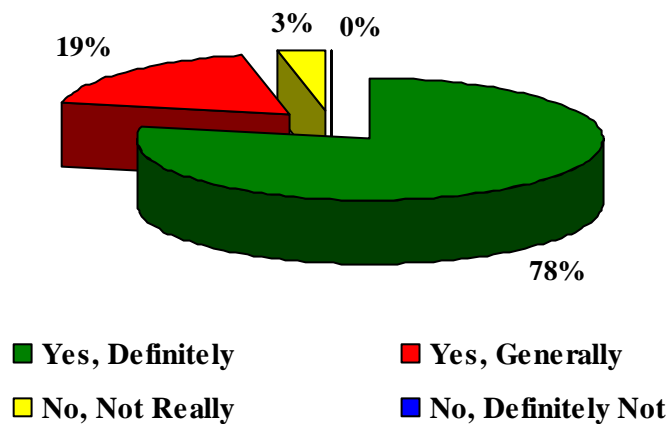
**Question No. 30: Are you satisfied with your reward?**



*Fig. 35. Question No. 30*

Only 42% of respondents are satisfied with their reward. The question is in relation to others, such as rewarding and wages system in company.

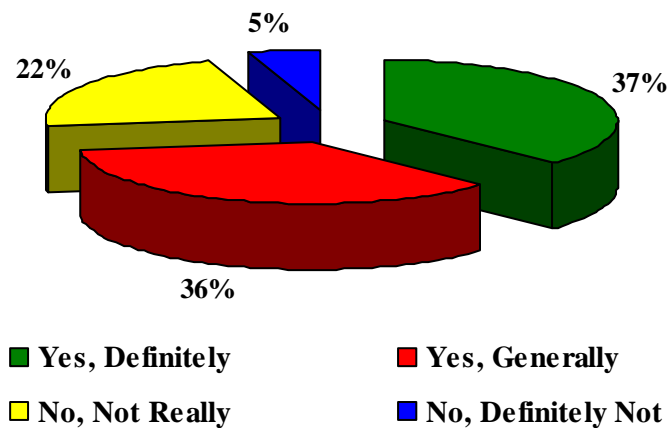
**Question No. 31:** Are you satisfied with the amount of hours per week which you put in your work?



*Fig. 36. Question No. 31*

The 97% of respondents think that the amount of hours spend in the work is sufficient.

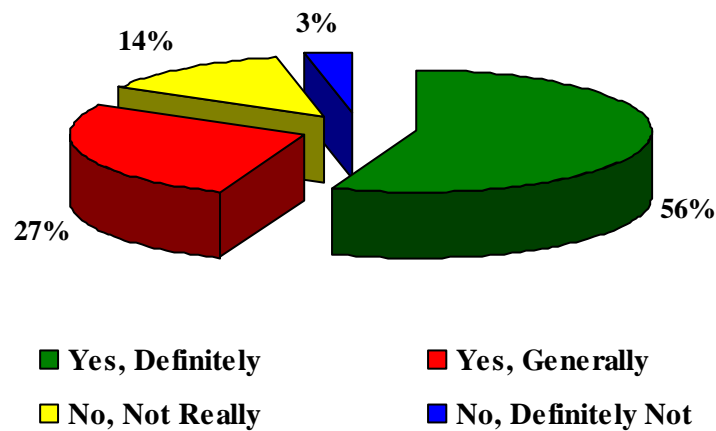
**Question No. 32:** Do you participate in social events which are arranged by your company, e.g. celebrations?



*Fig. 37. Question No. 32*

The 73% of respondents participate in company's social events. It is a positive indicator.

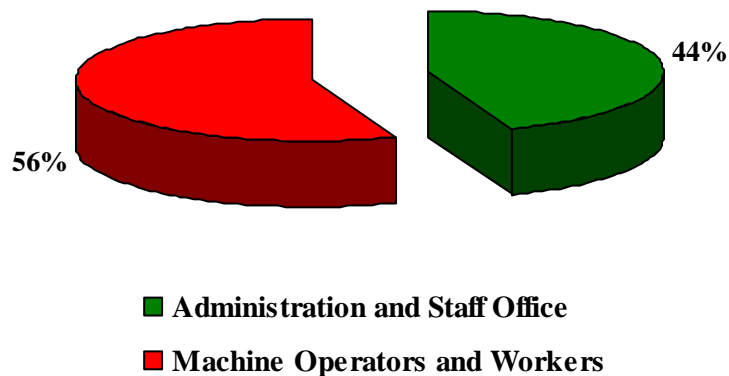
**Question No. 33:** Are you satisfied with the quantity and quality of social events of company?



*Fig. 38. Question No. 33*

The quantity and quality of social events are evaluated as good.

**Question No. 34:** What is your working position?



*Fig. 39. Question No. 34*

The respondents were consisted of 44% of administration and staff office, 56% of machine operators and workers.



**Question No. 35: Other remarks, opinions?**

This question for other employees remarks, suggestions were almost not used. The employees wrote:

- I am satisfied with job, however, the work is really stressful.
- I think that the sales department has too many sellers, it is not effective.
- I am proud to be part of the multinational company, in this period when financial crisis is, in this region where is very difficult to find a job.

**4.3.4 Summary of Results of Questionnaire**

Based on the quantitative research there can be noticed some problems of the company. The company's weaknesses are as follows:

- The employees are not informed about company's basic issues, such as company's vision, its plans for the future, current available positions in the company etc.
- The employees do not feel the possibility of further development within the company.
- The employees are not satisfied with the rewarding and wages system in company.

**4.3.5 Results of Observations**

The observation process involved the actions as the counting the number of ring the bell when the employee picks it up, the atmosphere in departments, behaviour of employees etc. For example, the phone usually rings three times, when employee picks it up. When

employee is not available currently to pick up the phone, the nearest employee answers it and eventually leaves a message.

After the analysis, it was not noticed any important issue. The only problem was the missing information board for all company's employees, which should be located in the entrance hall to the company. Now, it is situated in the second floor in administrative section and for example for the workers in the factory building is not easy to access it.

#### **4.3.6 Summary of Results of Observations**

During the observation was not recorded significant issues related to organizational culture, just, the information board for all employees in the entrance hall is missing.

#### **4.3.7 Results of Content Analysis of Company's Documents**

The content analysis showed the basic information. The company has 76 employees and its organizational structure is introduced in Appendix A II.

For further considering the organizational culture aspect there is mentioned the aim of the company and the actions which should be taken in order to reach strategic goals. Data about productivity of employees, assessments by line-managers and self-assessments, absences in job, rate of fluctuation of employees etc. is given.

From these indicators, the rate of fluctuation of workers is the aspect which should be introduced. It is at the level of 16% in previous monitored period<sup>46</sup>, whereas the average

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<sup>46</sup> Internal Company Report D.

in the Czech Republic is 15%.<sup>47</sup> Maybe due to the financial crisis, the rate of fluctuation is not so high in these days.

#### **4.3.8 Summary of Results of Content Analysis of Company's Documents**

The content analysis gave a valuable insight to the company's internal environment. The recorded rate of fluctuation of workers was higher than the average in the Czech Republic. Nowadays, it is not the problem for company (perhaps thanks to financial crisis). But it could be a problem in the future because of the fact that the process of selection and recruitment of the new employees (who would work in four-shifts) is not only capital intensive, it is also time-consuming. The company should more attract the employees, for example by its rewarding system and wages principals.

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<sup>47</sup> ERTL, J. Fluktuace – diagnóza a léčba. *HR Forum*. 2008, No. 6. 32 p. ISSN 1212-690X.

## **5 SUMMARY OF ANALYSIS OF ORGANIZATIONAL CULTURE**

The methods of interview, questionnaire, observation and content analysis of internal documents were used for the contemporary organizational culture analysis. The main limits and barriers for further development of company were identified as follows:

- No information about company's vision, strategic goals, plans for the future etc. for all employees.
- Internal communication between factory building and administration section.
- Unsatisfactory with rewarding and wages system of company.
- Needs for further motivation tools to increase employees' satisfaction and attract the new ones.

In relation to this limits, in the next section a proposal for organizational culture change is introduced. It aims to foster organizational culture in company and firm's strategy.

## **6 PROPOSAL FOR COMPANY**

This section deals with the identified problematic areas of organizational culture in company Macco Organiques, s.r.o. and presents the proposal which aims the improvements. The proposal is consisted of four selected recommendations for company.

### **6.1 Placement of Information Board**

The suggestion concerns communication improvements. It resulted from questionnaire survey and observation where was found out that the company does not inform all employees about its vision, strategy, plans for the future.

It is recommended to place the information board to the entrance of the company where each employee comes in the company. It is a question if should be replaced just information board which is situated in the second floor of administrative section or if the company should invest to buy another one. From my point of view the information board in the second floor could be just displaced to the entrance. It is glass-made and lockable thus, nobody can steal or damage displayed information papers.

Total financial costs for the company would be inconsiderable.

### **6.2 Cafeteria System Implementation**

Thanks to executed analysis there was defined the problem with satisfaction of employees with rewarding and wages system. The suggestion of cafeteria system implementation could be proved as an effective and useful tool to improve the situation of company.

The cafeteria system is based on the principle that for each employee are defined the company requirements. If the employee meets these requirements, she/he will receive

certain amount of marks, which are virtually recorded on an account of employee. When she/he wants, she/he can exchange the marks for benefits. Each employee receives certain amount of marks and other marks will be added depending on their working position. Additional marks can be obtained for good working results as well.

The easiest way for practical cafeteria system implementation could be the matching the working assessments with coefficients. On the coefficient basis can be overall working assessments transfer to the marks and, if employee reached, for example 100 marks, she/he can attend a language course, if she/he reached 1000 marks, she/he can used a benefit in form of vacation allowance.

According to cafeteria system contemporary benefits of the company can be easily mixed in agreement with employee preference. The particular structure of cafeteria system, especially the form of benefits, should be discussed with employees and their preferences should be found out every year.

The financial costs of this suggestion will be derived from the form of benefits. The solution is time-consuming for the Human Resources Specialist.

### **6.3 Benefit in Form of Language Course or Computing Course**

This suggestion is proposed in relation to the results of research of employees' satisfaction and their development. The employees can developed themselves by language or computing courses. This benefit could substitute the pre-paid swimming tickets which company had to cancel because of the closing of the swimming pool.

The basic information and calculation of particular example according to law are stated as follows:

**Type of group courses : beginner - intermediate - advanced**

**Price for one group per one month : 3 000 CZK**

*Tab. 3. Calculation of Contribution to Employer – Language or Computing Course*

<b>Company</b>	<b>Wages + Cash Reward</b>	<b>Wages + Benefit</b>
The value of financial benefit ( 3 x 3 000,- CZK / 76 persons )	120	120
Brutto wages per month for employee	20 922	20 753
Social insurance : employer (company) - 25%	5 231	5 189
Health insurance : employer (company) - 9%	1 883	1 868
Social insurance : employee - 6,5%	1 360	1 349
Health insurance : employee - 4,5%	942	934
Superbrutto wages of employee (basis for tax)	28 035	27 810
Advance income tax of employee before deduction - 15%	4 215	4 185
Monthly deduction from income tax of employee	-2 070	-2 070
Advance income tax of employee after deduction	2 145	2 115
Netto wages per month for employee	16 475	16 355
Value of benefit	0	120
<b>Total netto income for employee per month</b>	<b>16 475</b>	<b>16 475</b>
Increasing costs for tax for employer per one employee	226	0
<b>Tax for employer for 76 employees</b>	<b>17 176</b>	<b>0</b>

*Tab. 4. Calculation of Contribution to Employee – Language or Computing Course*

<b>Employee</b>	<b>Wages + Cash Reward</b>	<b>Wages + Benefit</b>
The value of financial benefit ( 3 x 3 000,- CZK / 76 person )	120	120
Brutto wages per month for employee	20 873	20 753
Social insurance : employer (company) - 25%	5 219	5 189
Health insurance : employer (company) - 9%	1 879	1 868
Social insurance : employee - 6,5%	1 357	1 349
Health insurance : employee - 4,5%	940	934
Superbrutto wages of employee (basis for tax)	27 971	27 810
Advance income tax of employee before deduction - 15%	4 200	4 185
Monthly deduction from income tax of employee	-2 070	-2 070
Advance income tax of employee after deduction	2 130	2 115
Netto wages per month for employee	16 446	16 355
Contribution to the benefit from employer	0	120
<b>Total netto income for employee per month</b>	<b>16 446</b>	<b>16 475</b>
<b>Real contribution for employee</b>	<b>91</b>	<b>120</b>

<b>When cash reward is provided to employee, the costs for tax for employer will decrease about :</b>	<b>0,69%</b>
<b>When the benefit in form of language course/computing course is provided to employee, the real income of employee will increase about:</b>	<b>32,16%</b>
<b>Real income of employee per year will increase about :</b>	<b>348 CZK</b>
<b>Company will save per year :</b>	<b>206 112 CZK</b>

The implementation of benefit will save 206 112 CZK per year to company. The real income of employee per year will increase about 348 CZK. The suggestion appears to be the best solution to tackle a question of substitution of cancelled pre-paid swimming tickets. The employees would have a chance to choose course which they preferred.



## **6.4 Benefit in Form of Jackets for Employees**

This suggestion is proposed in relation to the results of research of employees' satisfaction. The employees can receive jackets with company logo. The company will foster employees' satisfaction and loyalty as well as provide simple promotion of company.

The basic information and calculation according to law are as follows:

### **Jackets with company logo**

**Price per one jacket : 500 CZK**

*Tab. 5. Calculation of Contribution to Employer – Jackets for Employees*

<b>Company</b>	<b>Wages + Cash Reward</b>	<b>Wages + Benefit</b>
The value of financial benefit ( 500 CZK per year )	500	500
Brutto wages per month for employee	21 086	20 373
Social insurance : employer (company) - 25%	5 272	5 094
Health insurance : employer (company) - 9%	1 898	1 834
Social insurance : employee - 6,5%	1 371	1 325
Health insurance : employee - 4,5%	949	917
Superbrutto wages of employee (basis for tax)	28 256	27 301
Advance income tax of employee before deduction - 15%	4 245	4 110
Monthly deduction from income tax of employee	-2 070	-2 070
Advance income tax of employee after deduction	2 175	2 040
Netto wages per month for employee	16 591	16 091
Value of benefit	0	500
<b>Total netto income for employee per month</b>	<b>16 591</b>	<b>16 591</b>
Increasing costs for tax for employer per one employee	955	0
<b>Tax for employer for 76 employees</b>	<b>72 580</b>	<b>0</b>

*Tab. 6. Calculation of Contribution to Employee – Jackets for Employees*

<b>Employee</b>	<b>Wages + Cash Reward</b>	<b>Wages + Benefit</b>
The value of financial benefit ( 500 CZK per year )	500	500
Brutto wages per month for employee	20 873	20 373
Social insurance : employer (company) - 25%	5 219	5 094
Health insurance : employer (company) - 9%	1 879	1 834
Social insurance : employee - 6,5%	1 357	1 325
Health insurance : employee - 4,5%	940	917
Superbrutto wages of employee (basis for tax)	27 971	27 301
Advance income tax of employee before deduction - 15%	4 200	4 110
Monthly deduction from income tax of employee	-2 070	-2 070
Advance income tax of employee after deduction	2 130	2 040
Netto wages per month for employee	16 446	16 091
Contribution to the benefit from employer	0	500
<b>Total netto income for employee per month</b>	<b>16 446</b>	<b>16 591</b>
<b>Real contribution for employee</b>	<b>355</b>	<b>500</b>

<b>When cash reward is provided to employee, the costs for tax for employer will decrease about :</b>	<b>2,89%</b>
<b>When the benefit in form of jackets for employees is provided to employee, the real income of employee will increase about :</b>	<b>40,85%</b>
<b>Real income of employee per year will increase about :</b>	<b>145 CZK</b>
<b>Company will save per year :</b>	<b>72 580 CZK</b>

This benefit is applied just once a year. The overall calculation shows that it will save 72 580 CZK from company point of view tough. Moreover, the real income of employee will increase from 355 CZK to 500 CZK.

## 7 EVALUATION OF HYPOTHESES

This section discusses the stated hypotheses.

Hypothesis No. 1: **The company Macco Organiques, s.r.o. is award of organizational culture in full and it is acquainted with its meaning and contributions to organization.**

**Hypothesis is partly confirmed.**

This hypothesis was assessed by quantitative research – questionnaire and qualitative research – interview with General Manager and Human Resources Specialist; observation. The content analysis of company's documents was executed as well.

Hypothesis No. 2: **The concept of current organizational culture in Macco Organiques, s.r.o. proves its overall efficiency and it has a desired effect on long-term firm's strategy.**

**Hypothesis is not confirmed.**

This hypothesis was verified by way of interview with General Manager, Human Resources Specialist, and it was supplemented by secondary data research based on company's internal documents and literature search.

The company is award of organizational culture, however, executed analysis proved that contemporary organizational culture has its limits and barriers. There is a need of organizational culture change for desired effect on long-term firm's strategy.

## **CONCLUSIONS**

The master's thesis aims to analyse the organizational culture in the particular company Macco Organiques, s.r.o., identify its weaknesses and propose a suitable content of organizational culture change.

The theoretical background shows that organizational culture interprets the everyday realities of organizational life and thus, the study of organizational culture is key to an understanding of how organization operates in real world.

The research analysis of particular company provides the deep insight into Macco Organiques, s.r.o. run and defines main problematic areas concerning the organizational culture. These are:

- No information about company's vision, strategic goals, plans for the future etc. for all employees.
- Internal communication between factory building and administration section.
- Unsatisfactory with rewarding and wages system of company.
- Needs for further motivation tools to increase employees' satisfaction and to attract the new ones.

As a result, the proposal for organizational culture change is introduced. It involves four suggestions for company's culture improvements, which are just ready to be implemented. These are:

- Placement of information board
- Cafeteria System implementation
- Benefit in form of language course or computing course
- Benefit in form of jackets for employees

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- [26] Internal Company Report A.
- [27] Internal Company Report B.
- [28] Internal Company Report C.
- [29] Internal Company Report D.

## **LIST OF SYMBOLS AND ABBREVIATIONS**

CZK    Czech Crowns

Etc.    Et cetera

E.g.    Exempli gratia

No.    Number



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*Appendix A III: Organizational Culture Questionnaire*

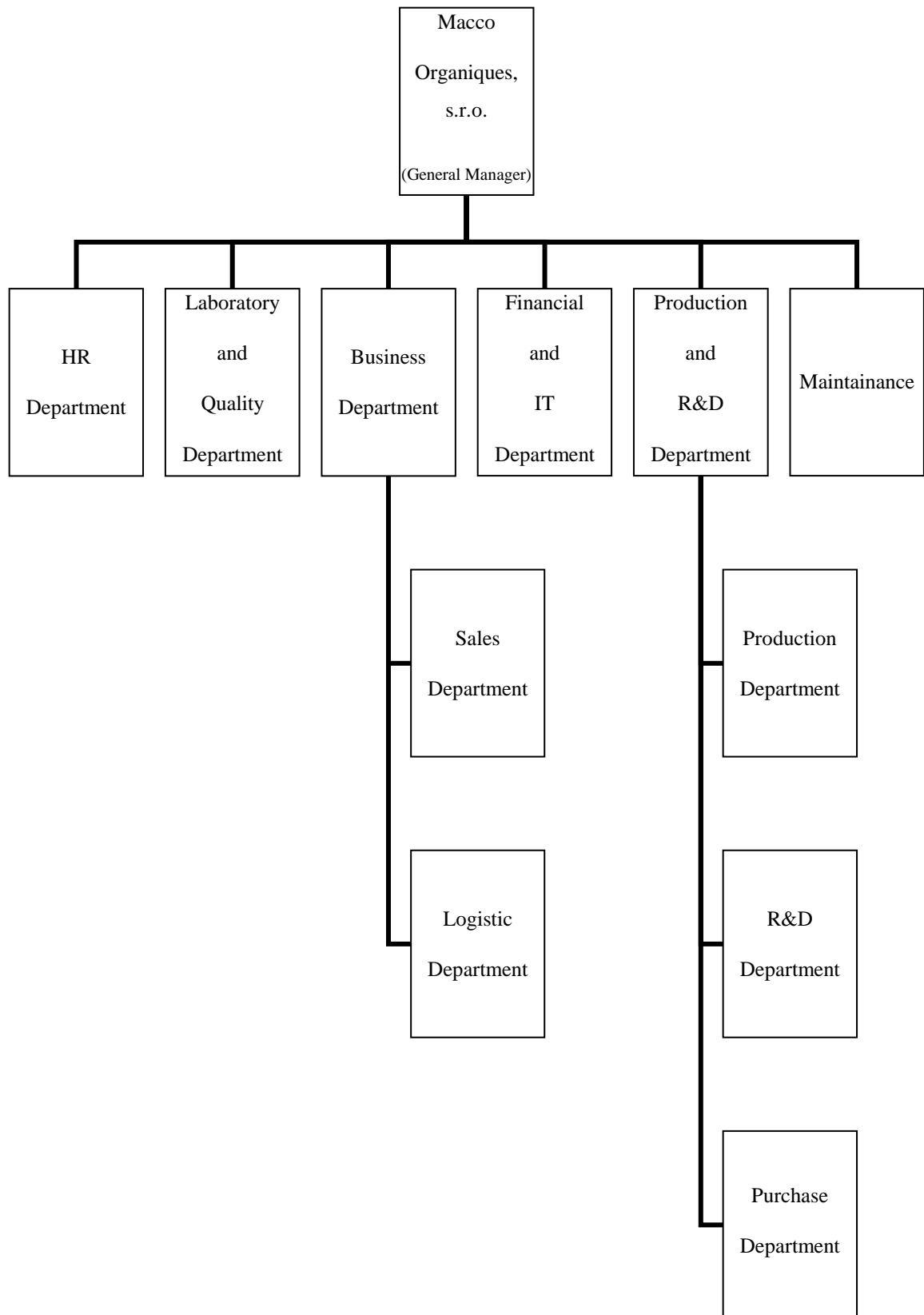
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*Appendix A V: Questions for Semi-structured Interview with the General Manager  
and Human Resources Specialist*

## **APPENDIX A I: INFORMATION ABOUT COMPANY MACCO ORGANQUES, S.R.O.**

<b>Name:</b>	Macco Organiques, s.r.o.
<b>Identification Number:</b>	26819210
<b>Place of Business:</b>	Zahradní 46 č.p. 1442, 79201 Bruntál
<b>File Record:</b>	C 27609 (Registration Court in Ostrava)
<b>Date of Registration to Companies Register:</b>	17.10.2003

## APPENDIX A II: ORGANIZATIONAL STRUCTURE OF MACCO ORGANIQUES, S.R.O.



## **APPENDIX A III: ORGANIZATIONAL CULTURE QUESTIONNAIRE**

Dear employee of Macco Organiques, s.r.o.

I would like to ask you for filling out this anonymous questionnaire concerning the organizational culture. This survey and its results will be used as an important background for master's thesis entitled: "Concept for Organizational Culture Change in a Manufacturing Company", which is written at Brno University of Technology, Faculty of Business and Management and which aims to analyse contemporary organizational culture and propose suitable content of organizational culture change for improvement your working conditions as well as other factors which influence your satisfaction with your job in this company.

The main idea of this questionnaire is to give you the chance to express your views, attitudes and opinions about your current job and employer. I do believe that your answers will lead to a valuable feedback for you as well for the management of this company.

This survey consists of 35 questions and its filling out should not take more than 15 minutes. Please read carefully the following statements and decide your level of satisfaction with particular statement by means of encircling (where it is written, ticking off is possible).

I kindly ask you to fill out this questionnaire honestly, so I can be able to observe the true image of your work and company's culture.

I would like to thank you for your time and cooperation on this survey. The filled out questionnaire post to the letter box of Human Resources Specialist.

Sincerely

Šárka Bartošková

- 1) If you were once more deciding about your job. Would you choose this company again?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 2) Do you know company's vision?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 3) Do you receive information regarding the company policy?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 4) Do you respect company's interests?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 5) Do you promote a good reputation of company in your surroundings?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 6) Would you recommend working for this company any of your friends?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 7) Are you satisfied with your job?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 8) Do you like the working atmosphere in the company?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 9) Are you satisfied with interpersonal relationships in company?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

- 10) Are in the company any bad employees' manifestations, e.g. slander?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------



11) Do you think that these manifestations should be sanctioned?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

12) Are you stressed while working?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

13) Do you have materials, tools and facilities which you need for you job?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

14) Do you get sometimes a work which is not fitted to you and your job description strictly?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

15) Do you get information which you need for your job officially?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

16) Do you realize any manifestations of conflicts between employees at your work-place?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

17) Do you actively participate in problem's solving process at your workplace?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

18) Are your opinions respected by your co-workers, line manager etc.?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

19) Are your suggestions of solving situation considered, eventually implemented?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

20) Is the cooperation and communication in the company at a good level?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

21) Is everyday communication between employees at a formal level?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

22) Is it important to you that your line manager is easily accessible?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

23) Is your line manager able to listen to you when you need it?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

24) Considering your line manager, how are you satisfied with his/her characteristics?

(Very dissatisfied)

(Very satisfied)

Professional qualification	1	2	3	4	5	6	7	8	9	10
Ability to award of a work well	1	2	3	4	5	6	7	8	9	10
Help with my professional development	1	2	3	4	5	6	7	8	9	10
Human approach	1	2	3	4	5	6	7	8	9	10
Transformation of information	1	2	3	4	5	6	7	8	9	10
Ability to evaluate and appraise my work	1	2	3	4	5	6	7	8	9	10
Ability to lead, guide people	1	2	3	4	5	6	7	8	9	10

25) Do you think that company fosters your development?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

26) Do you have a chance for further development of your job skills in the company, e.g. seminars, training?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

27) Are you satisfied with possibility of career promotion within the company?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

28) Are you satisfied with rewarding system and wage principals in the company?

Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not
-----------------	----------------	----------------	--------------------

**29) Do you get an appraisal regularly?**

<b>Yes, Definitely</b>	<b>Yes, Generally</b>	<b>No, Not Really</b>	<b>No, Definitely Not</b>
------------------------	-----------------------	-----------------------	---------------------------

**30) Are you satisfied with your reward?**

<b>Yes, Definitely</b>	<b>Yes, Generally</b>	<b>No, Not Really</b>	<b>No, Definitely Not</b>
------------------------	-----------------------	-----------------------	---------------------------

**31) Are you satisfied with the amount of hours per week which you put in your work?**

<b>Yes, Definitely</b>	<b>Yes, Generally</b>	<b>No, Not Really</b>	<b>No, Definitely Not</b>
------------------------	-----------------------	-----------------------	---------------------------

**32) Do you participate in social events which are arranged by your company, e.g. celebrations etc.?**

<b>Yes, Definitely</b>	<b>Yes, Generally</b>	<b>No, Not Really</b>	<b>No, Definitely Not</b>
------------------------	-----------------------	-----------------------	---------------------------

**33) Are you satisfied with the quantity and quality of social events which are arranged by your company?**

<b>Yes, Definitely</b>	<b>Yes, Generally</b>	<b>No, Not Really</b>	<b>No, Definitely Not</b>
------------------------	-----------------------	-----------------------	---------------------------

**34) What is your working position?**

(Please tick off one answer)

- ☐ Administration and office workers
- ☐ Machine operators and workers

**35) If you want, please write here your other remarks, opinions etc.**

.....

.....

.....

.....

**Thank you.**

## APPENDIX A IV: NUMBER OF ANSWERED QUESTIONS IN THE QUESTIONNAIRE

Question No.	Yes, Definitely	Yes, Generally	No, Not Really	No, Definitely Not	No Answer
1	30	18	8	3	
2	21	5	8	25	
3	20	6	9	24	
4	39	20	0	0	
5	29	28	2	0	
6	27	29	3	0	
7	13	35	7	4	
8	13	36	7	3	
9	4	42	12	1	
10	9	31	19	0	
11	0	1	24	34	
12	7	26	18	8	
13	49	10	0	0	
14	0	4	7	48	
15	20	23	16	0	
16	8	16	27	8	
17	13	18	21	7	
18	21	12	21	5	
19	9	23	23	4	
20	11	19	26	3	
21	21	16	17	5	
22	22	28	9	0	
23	7	42	8	0	2
25	8	13	35	3	
26	20	18	18	3	
27	7	20	14	17	1
28	5	17	26	11	
29	26	26	7	0	
30	5	20	28	6	
31	46	11	2	0	
32	22	21	13	3	
33	33	16	8	2	

### Question No. 34

Administration and Staff Office	Machina Operators and Workers
33	16

**Question No. 24.**

1	2	3	4	5	6	7	8	9	10	Average
				3	5	19	21	5	6	7,64
			4		12	13	16	13	1	7,36
					19	13	5	22		7,51
			3		2	27	2	19	6	7,80
			10	12	4	10	23			6,41
		2	4	6	4	24	7	7	2	6,49
					23	5	17	14		7,37

## **APPENDIX A V: QUESTIONS FOR SEMI-STRUCTURED INTERVIEW WITH GENERAL MANAGER AND HUMAN RESOURCES SPECIALIST**

- 1) How is determined your firm's strategy and how is it maintain?**
- 2) Do you think that your company has any weaknesses related to organizational culture? Where are the main problems?**
- 3) The fields related to company:**
  - Company's promotion**
  - Gained certifications and registrations**
- 4) The fields related to company's employees:**
  - Working conditions**
  - Assessment procedure of employees**
  - Rewarding and wage system**
  - Communication within company**
  - Development of employees**
  - Work safety**
- 5) Do you think of organizational culture change? What do you expect from its implementation?**